CHINA WEEKLY

REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

Sino-Japanese Trade and Japan's Future

CHINA'S POSTAL SERVICE

DUNCAN LEE

"WIDOW TIEN'S PUMPKINS"

CHAO SHU-LI

Full text of Li Li-san's speech on
CHINA TRADE UNION MOVEMENT

DECEMBER 17, 1949

JMP 1,500

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

STUDY CLASS

To The Editor:

Since the liberation of Shanghai, my office has changed from its former bureaucratic capitalist ways to service for the people. The office staff seems to be busier than ever.

One month ago I went to the study class which was organized by the authorities and labor unions concerned, for I wished to renew my thinking and behavior. You probably didn't know that at our class all the documents for studying and every single matter are decided by the students' mutual agreement. This is truly democratic and it fully demonstrates the way mutual help and studying together is carried out. Everyone can easily get another's help if he needs it. There is no difference between the educated and uneducated ones because each person feels he has been drugged by the many years' oppression of feudalism.

Every day there are two half-hour periods for sports and amusements such as singing, comic opera, and telling jokes, which eases one's worries and relaxes one from the long discussion periods. As each document is studied, there follow three kinds of examinations; one in a general meeting, one a written and one a condition test.

After a month of studying, I am beginning to comprehend why the Communists have been successful in China through the use of self-criticism and mutual supervision, praise before criticism, and learning from the great mass of people. We of the labor class are the guides for the new People's Government and must be responsible for the development of national industry first and the enjoyment of life later.

WONG SZE-LIANG

Shanghai
December 2, 1949

LOPSIDED

To The Editor:

We take this opportunity to inform you that we no longer care to take the magazine. . . . The last few issues have merely repeated what we had already read in the "China Daily News Release" which comes to our house every day. There is no point in duplication.

In addition, the "English Lesson" section has certainly deteriorated. Our students do not find them a bit helpful. They prefer the "Daily News Release" and my definitions with the Chinese meanings also given. Even the stories such as "She" and "The Education of Love" are not the kind that appeal to our middle school students who want to be inspired to rebuild and reconstruct. "When Father Brought Back a Pair of Leather Shoes" was good but a little difficult for most of our students to read and enjoy.

The December 3rd issue has a most unfair article on "The American Scene." One little sentence hidden away on page 13 does say, "Naturally, this is not true throughout all American industry but it is happening in a growing number of cases." The last part of this sentence is just a sweeping general statement that wipes out the first part. It is most unjust and a very lopsided scene all the way through. Had we the time we would take it apart piece by piece. I could go on about the way many of the editorials have slipped into the use of very common and not good English. Such words as "guy" and "gang" appear all too frequently.

Each week we opened the latest edition with hope that it would be up to its former standards. That hope is completely gone. We will be happy with the "Daily News Release."

Mr. and Mrs. E. J. H.

Tsinan
December 6, 1949.

WANTS PROOF

To The Editor:

I should like to ask the writer of the article "What Are China's Catholics To Do?" (Review, November 19, 1949) to prove his statement that "the Church is against war." It should be interesting, but don't be satisfied with the mentioning of prayers.

K. M.

P. S. My compliments on your editorial "What's in a Name?" It gave me great pleasure reading it.

Mrs. K. M.

Tientsin
December 4, 1949.

CADET TRAINING

To The Editor:

I am a cadet at a newly organized academy which stresses military and political affairs. Its characteristics differ from the ordinary school and other institutions for our academy aims at developing national defense and educating leaders for the army.

Our school is situated on Whampoo Road in the former Kuomintang Ministry of National Defense. The campus is vast and very pleasant. Along the road there are many varieties of trees growing and the surroundings are cheerful.

With the liberation of the whole of China to be completed in a matter of a few months or a year, the studying of military affairs and the manual "The History of Social Development" has been accelerated, so that we will be able to help the people in the near future by our industrious mutual learning.

Our curriculum stresses "Labor creates the world," and points out the exploitation of capitalists. Every day we must clean up the surroundings and do physical labor.

This is the era for sons and daughters of China to do their utmost to reconstruct a New China, which is my viewpoint also.

ROBERT CHAI

Nanking
November 22, 1949

TAIWAN'S LIBERATION

To The Editor:

It is beyond any doubt that the liberation of the whole of China will soon be accomplished, but it is still a subject of discussion when the complete victory will be here. If we look at the map, the territory of our country appears all in one piece except for Taiwan, which is situated in the eastern sea with a distance of about 200 knots from the coast of Fukien. High waters in the sea make it difficult for the People's Liberation Army to liberate it

(Continued on page 50)

THE CHINA WEEKLY REVIEW

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Vol. 116 Shanghai, Saturday, December 17, 1949 No. 3

REVIVAL OF THE AXIS POWERS

DURING the last war the leaders of the Allied democracies time and again emphasized their determination that fascism, as represented by Germany, Japan and Italy, would be wiped out and never again allowed to rise. What's more, it was repeatedly declared that these three countries, once defeated, would be put under international control and would be supervised by the democratic nations until such time as it was evident that they could be safely allowed to rejoin the "family of nations."

Roosevelt's ultimatum demanding unconditional surrender was designed to end the war in such a manner that there would be nothing to prejudice the Allies' hands at the peace table. The Morgenthau Plan for Germany, which envisaged the stripping of the country's industry, was drawn up with the idea of physically preventing a resurgent Germany. The original plan carried to Japan by General MacArthur was to destroy or remove that part of the country's industrial plant having a war potential, to break up the economic monopoly of the zaibatsu and to democratize the nation's social and political life. Likewise the peace treaty with Italy imposed limitations upon her future activities and forced her to renounce title to her African colonies.

It is now only a little more than four years since the end of World War II. What has happened to these war-time and early post-war plans for preserving the peace by restraining and remoulding those Axis powers which were responsible for plunging the world into its bloodiest and costliest conflict to date?

In Western Germany, the part controlled by the US, Britain and France, dismantling has stopped. Germany is to be allowed a steel capacity of 14,500,000 tons, which is greater than that of any other country in Europe, with the possible exception of Britain.

Much the same situation exists in other types of German industry. Originally it was planned to remove the greater part of the country's industrial plant. However, after several successive "revisions," the present plan calls only for the removal of a relatively small percentage and this is largely restricted to plants directly engaged in war production, such as arsenals and the like, while the major portion of the country's heavy industry, upon which all war preparations are dependent, is being left intact.

What's more, foreign capital is to be encouraged to invest in Germany in order to build up her overall industrial plant. Germany is to have "diplomatic" representatives abroad, she is to have a voice in the management of the Ruhr, she is to be allowed to engage in shipbuilding and in international shipping and she is to get Marshall Plan aid. Only two more steps remain if this course is followed to its logical conclusion: The signing of peace treaties between Germany and the Western powers, without the participation of Soviet Russia and the Eastern European nations, and the inclusion of Germany in the North Atlantic Pact.

A distressingly similar situation exists in the case of Japan. Modification after modification has been made to the original plan for "democratizing" Japan until today dismantling has about stopped. Deconcentration, or break-up moves against Japan's leading zaibatsu families which control the country's economy and which, in league with the Emperor and the militarists, were responsible for the country's aggressive war against China, America and other Pacific nations, have been halted.

Instead, a whole series of plans for the *increase* of Japan's industrial—and war making—potential are being mapped out. One such scheme, a Yen 200,000,000 project for a hydro-electric plant on the Tadami River, has been surveyed by American engineers from the Westinghouse Electric Company and, according to Mr. Heitaro Inagaki, the minister of Trade and Industry, Japan hopes to secure "foreign" financial aid for the job.

Already Japanese representatives are reappearing in the world's trade marts. At this moment trade missions are in Siam and Burma. In Australia, Japan has again become a big factor in that country's wheat and wool markets. Britain's textile industry has gone on record as opposing America's plan for flooding Asia with low-priced Japanese cotton textile products. However, the US is making cheap cotton available to Japanese mills, and General MacArthur has permitted the removal of a minimum export price on finished cotton products.

A Japanese government official has gone on record as saying that Japan cannot sign a peace treaty with which she does not agree. As inducement to the early signing of such a treaty, Finance Minister Ikeda has promised that Japan will redeem her pre-war bonds once a peace treaty is signed. Premier Shigeru Yoshida has stated that he was confident that there will be an increasing number of foreign investments in Japan in the not too distant future. As if in answer, the American National Cash Register Company has agreed to resume its 70 percent share in the National Cash Register Company of Japan and to extend long-term credits to the reorganized Japanese company. Yoshida has further stated that Japan wants the Kurile islands, turned over to Russia

at the end of the war, and Okinawa, taken by the Americans, returned when the peace treaty is signed. In addition, he said that while it was as yet undecided to whom the island of Taiwan should belong, the Japanese people should "keep a keen interest" in territorial problems.

Italy which, by the terms of her peace treaty with the Allies, renounced all claim to her former African colonies has succeeded in reobtaining title to one of them through the receiving of a trusteeship mandate from the UN for Somaliland. Indicative of just what this means is the news from Rome that a vanguard of 2,500 Italian officials, troops and police will leave for the former colony next month. A second group of 2,500 will leave shortly thereafter. They will be under the command of General Arturo Ferrara, who is described as "an experienced colonial officer."

Meanwhile, the De Gasperi government is appealing to dispossessed farmers and downtrodden tenants, promising them if they will refrain from forcibly occupying and farming the vast unused estates of the rural gentry (a number of which have already been occupied by Italian peasants), the government will shortly do something about getting some land for them to cultivate. In addition to reiterating its four-year old promise (not yet implemented) of breaking up "some" of these landed estates, it is hoping to bring additional land under cultivation within the next few years through a land reclamation scheme scheduled to be financed with Marshall Plan aid.

This Russian cartoon (top) from *Ogonyok* in Moscow attacks the rebuilding of the Ruhr, which in the past was the foundation of Germany's militarization. German militarists and industrialists are shown cultivating the Ruhr's heavy industry with American dollars.

China reminds Uncle Sam (bottom) that the Potsdam Agreement must be the basis for signing a peace treaty with Japan in this cartoon from the *Ta Kung Pao*.

* * *

IN each of these three former Axis partner nations, there seems to be the same general tendencies which bode no good for the future. Plans for ensuring that their ability to make war would be limited or abolished have been weakened or wrecked by subsequent plans which have usually been termed more "moderate" or "realistic." In each of these countries there is evidence that foreign, principally American, capital is to be invested to build up native industry, frequently of a war potential type. In each country earlier programs for purging of bad elements have been dropped in favor of supporting all anti-communist segments of the population, no matter how closely allied they may have been in the past with the native warlords. In each country plans for instituting democracy have been largely forgotten, or at best, given only lip service.

These developments add up to a picture which is neither pretty nor comforting.

WHY WAS LABOR DEFEATED?

THE defeat of the Labor Governments in New Zealand and Australia in the recent parliamentary elections in those countries has surprised few and pleased many of the political commentators in the capitals of the world. We read that Australian newsmen described Labor's defeat as "part of the world distrust of socialism." Most interest centers on the effect the victory of the conservative National Party in New Zealand and the conservative Liberal-Country Party coalition in Australia may have on next year's general election in Great Britain where Labor holds power with a very substantial majority in the British parliament.

There is no doubt that the defeat of Labor in the dominions furnishes the British Conservative Party with a valuable propaganda weapon. Labor had been in power in New Zealand for fourteen years. If its policies have been satisfactory, why have the people chosen to vote it out? Labor had been in power in Australia for eight years. The same question might be put.

One reply is that people swing against a government that has had to conduct a war and therefore introduce all sorts of restricted measures irksome to the people. But if the war was a popular war and the post-war policies of the government have sought to improve living standards, why the swing against the government?

The economic policy of the Labor parties in Britain and the dominions has been "onwards and upwards"—a controlled expansion of industry plus a controlled expansion of earnings to absorb the products of industry. The "socialism" has been confined mainly to the control of money and credit, with particular emphasis on the state con-

trol of banking. In addition, and of particular importance in the primary-producing Australasian countries, was government control of the marketing of farm produce with guaranteed prices to the farmers. This policy was born out of the last depression and of fear of the possible next depression. It included elaborate social security projects, which had the economic objective of keeping up purchasing power as well as the political objective of bringing in the votes.

In Britain and the dominions the people accepted the policies of the Labor parties. What has upset them?

The Labor parties advocated a controlled expansion of earnings. After the war they were not able to achieve this expansion. In spite of elaborate controls, prices and rents got out of step with earnings. Real wages declined. The trade unions, civil servant and professional organizations began to make demands for increased salaries and wages. Government fought back. Result, the Labor parties found themselves increasingly in opposition to the workers and small salary earners who had always been their solid voting basis. In place of controlled expansion of wages there was stabilization. It can be seen how vigorously this stabilization of wages trend has been stressed in official Labor directives in Britain this year. It was the same in Australia and New Zealand.

So Labor faced the elections with its promise of pie unfulfilled.

We note that, in Australia and New Zealand, the conservative parties included in their election programs all the social security measures introduced by Labor. In New Zealand, the National Party even went one better than the Labor Party in promising bigger home-building loans to ex-servicemen and special allotments of state houses to farm workers. As Labor was against wage increases, it was tweedledum and tweedledee for the workers. For the farmers, the conservative parties promised the continuation of guaranteed prices for farm products. The bait was that farmers' representatives should have more say on the boards which decide how high the prices are to be. Thus, more conservative farmers' votes. For business, the conservative parties promised less control, repeal of the nationalization of banking acts, and government priming of industry. Business voted conservative.

The remaining important point at issue was that of Communism. Middle class hands go up in horror in the British countries. The widespread press, radio and film campaigns against Communism made it an important issue for vote-wary politicians. Menzies, Australia's conservative leader promised to ban the Australian Communist Party. In New Zealand, the National Party promised sterner measures against "sedition and subversion." Living standards for the middle classes in Australia and New Zealand have been high. Any shaking of the structure of society gives the middle class Australasian bad dreams. The conservatives calculated correctly if opportunistically, when they cried "wolf." After all, most seasoned anti-Communists agree with Australian Labor Party leader Chifley that Communism cannot be defeated unless capitalism can provide good and better standards of living for the mass of the people.

Labor fell because it could not provide ever better living standards. It remains to be seen how the conservatives will fare.

25 Years Ago In *The China Weekly Review*

Opium And The League of Nations

December 13, 1924.

Two League of Nations Conferences have been convened recently in which Chinese, and foreigners resident in China, have evinced considerable interest. . . .

From a study of the attitude and action of the two conferences thus far, as well as the comments made in various parts of the world, two facts stand out quite clearly: first that there is a tremendous amount of bluffing and hypocrisy on the part of certain politicians connected with both eastern and western governments—the "magnificent gesture" still being tried, and "honor" and "sovereignty" being used as symbols of hocus-pocus magic, to befog the principles really involved; and second, that there is an aroused public opinion in both eastern and western countries and that at least a few political leaders are sincerely working for an eradication of the drug evil of which opium constitutes the basis. When morals and economics conflict, difficulty must ensue, but morals generally win in the end, as witness the slave traffic and other ancient evils. Governments are able to find a substitute for opium revenues which in some places are not even needed in balancing the budget; and enlightened public opinion demands that substitutes shall be found where needed. In formulating a channel for concentrated expression or moral opinion, the League of Nations is more than justifying its existence.

Foreigners in Hankow

The Chinese newspapers in Hankow are opposing the development of the Jardine estate in the suburb of Hankow by Jardine Matheson & Co. The proposed estate of Jardine is located in the Chinese territory beyond the Hankow Foreign Race Club. The Jardine scheme consists of the city park community with the estate divided into lots for foreign residences. Chinese are also allowed into the proposed Jardine Estate. The Chinese papers allege that this is the first step in the attempt to secure an international concession in Hankow.

10 Years Ago In *The China Weekly Review*

Japanese Bomb Missions

December 16, 1939

Gates leading into the city of Nantao from the French Concession were thrown open on December 11 for the first time since their closure following the withdrawal of Chinese forces from Shanghai in 1937.

A small crowd of Chinese . . . streamed into the city from Frenchtown. Each of them presented his pass as he entered. People leaving Nantao, however, were required to produce no pass as they entered the Concession. Chinese quarters report that among those who passed through the gates into Nantao were people virtually driven there as a result of the high cost of living in the foreign-administered areas. They were said to have been informed that rice was being sold there at less than $3.0 per picul, while all other food products were cheaper.

Included in the crowd was also reported to be a number of gambling house operators who for several weeks had awaited the opportunity to obtain quarters in Nantao for the convenience of people in the business districts in the Settlement and Concession.

Nantao Gates Reopen

From the beginning of the Sino-Japanese hostilities in the summer of 1937 until September of this year, 36 American missions and schools in China have been bombed by Japanese planes, 24 persons being killed and 25 injured, according to a semi-official Chinese estimate published in Chungking on December 9. The casualty figures are believed to include both American and Chinese casualties resulting from Japanese bombing of American properties. The number of times American properties have been bombed is 150, according to the same estimate.

Sino-Japanese Trade And Japan's Future

Japanese Communist leader says Japan needs to trade with China but must export goods China can use and demonstrate she is democratic nation.

IF the Japanese economy continues to follow its present course, it is doomed to destruction. Export stockpiles now total more than 80,000,000,000 yen and the number of unemployed persons will reach several millions. No solution is in sight to those problems. Both labor and capital will collapse if the situation remains unremedied.

To remedy the situation, it is necessary first of all to improve the livelihood of the working masses in order to increase the purchasing power of the nation. At the same time, Japan must foster a prosperous foreign trade to make up for her shortage of vital resources. The most important country for Japan to trade with naturally is China, with whom this country has had inseparable cultural, historical, economic and political ties for the last 10 centuries. For better or for worse, Japan and China have constituted an economic whole. Before the war, 30 percent of the total foreign trade of Japan was with China.

If Japan can revive her pre-war trade relationship with China in the near future, her economic ills will be appreciably alleviated. But does China want to trade with Japan? The answer is yes, judging from my five years' life with Mao Tze-tung and other Chinese Communist leaders. I remember that five years ago I told Mao jokingly that the Japanese military clique's slogan, "Sino-Japanese Co-Existence and Co-Prosperity," was an excellent one. Mao seriously replied that after Japan achieved peace and democracy the Japanese and Chinese would be able to attain their co-existence and co-prosperity.

China Now Stable

Some circles in Japan, while desirous to trade with China, have misgivings about whether the new Chinese government and Communist China will be stable enough. I wish to give the following four reasons why I believe that the new Chinese government will be the most stable one China has seen in the last 50 centuries.

1) The new Chinese government has an entirely new character which was unseen in any of its predecessors. While all past Chinese regimes were representative of the interests of the big landowners, warlords and big capitalists who oppressed the masses, the new government is organized by those masses themselves namely laborers, peasants and indigenous capitalists. Such a government, which is positively supported by the bulk of the Chinese people, must be said to be deeply rooted in the masses and capable of surmounting all difficulties with the support of the overwhelming majority. . .

2) The Chinese Communist Party does not want to monopolize the new government, but will cooperate even with capitalists if only they desire the independence, freedom and development of China. It wants a coalition government so that all talents and abilities may be effectively mobilized. When Shanghai fell, foreign press dispatches predicted that the Communists would be unable to administer such a complicated international port city as that. But not only Shanghai but also Changchun, Mukden, Peking, Nanking and Tientsin today are well administered and their production has risen to levels higher than under Kuomintang rule. Shanghai is free from looting or famine.

3) The new government is going to win the support of many foreign democratic forces — an advantage which was lacking in the Russian Revolution. Support and assistance are forthcoming not only from the new people's democracies in Eastern Europe, North Korea, Vietnam and Burma but also from the growingly powerful toiling masses in the capitalist countries. Communists are increasing in France, Italy and Germany.

4) The international surroundings of China are favorable to its new government. In Europe, Britain, the USA and France are following a joint course of action, but in the Far East, Britain and the USA cannot take concerted action toward China. British investments in China total US$2,000,000,000, England having had deep relations with that country for ages. America's relationship with China started comparatively recently. Her US$2,000,000,000 aid to China was for the most part military.

Another important factor is that the capitalist countries of the world have begun to be hit by panics. American economic experts have admitted the signs of panic in the US economy since late last year. Everyone knows the British economy has been showing dangerous signs. The vast Chinese market has much to do with the Anglo-American economic problems, which means that the Chinese Communist Party is in a position to be able to make the best of the conflicting interests of the USA and Britain in the Far East.

What kind of trade, then, will the new government of China want to engage in with Japan? The new trade will certainly be distinguished from the past Sino-Japanese trade in the following four ways:

1) Japanese exports will be such commodities as will help China to industrialize herself. The Chinese Communist Party has recently decided that China should turn into an industrial nation from an agricultural one which she now is. The Japanese should abandon the idea of dumping cheap and bad commodities in the Chinese market as before. They should try to export high-quality goods, including those types of machinery which even an industrialized China cannot easily produce.

Although agricultural machinery, electrical appliances and medicines are ideal future exports to China, Japan at least for the present can furnish daily necessities because the purchasing capacity of the Chinese masses will increase following the protracted civil war. Some people may think that American and British goods would be more welcome than Japanese because the Anglo-American technical standards are higher than ours. But the industry of China will be of a pattern similar to the Japanese. For instance, the large-scale agricultural machinery of America or the Soviet Union cannot be employed effectively by Chinese farmers, whereas Japan's would be more handy and suitable to them.

Technicians Needed

China also needs technical talents. I remember Mao emphasized this point when we talked together. Mao asked me to send competent, conscientious and democratic Japanese technicians to China. Japan used to send incompetent technicians to that country as a means of unemployment relief. That practice must cease.

2) The future Sino-Japanese trade must be organized. The new Chinese government certainly will not permit unregulated transactions between individual merchants. Already foreign trade in North China, Shantung and Shanghai is controlled by a series of regulations. But the control is not too rigid, the government determining which kinds of commodities to export or import and the tax rates thereon, and merchants being permitted to trade within this general framework. Very probably, in the future, the government itself or associations of traders will engage in trade with Japan.

To trade with China, Japanese manufacturers and exporters will have to be organized. Already, in Osaka bicycle makers are banding together to export to China.

3) China will trade with Japan on a barter basis. New China will not turn out commodities for export purposes only, but will produce and import what is necessary for her economic development and improvement of the livelihood of her masses. Japan's present trade policy is wrong; she is exporting for the purpose of exporting. Because her domestic market is small, Japan is trying to sell her goods cheaply to make money.

Of course barter will not be the exclusive means for China to settle

The author of this article, Sanzo Nozaka, is a member of the Politbureau of the Japanese Communist Party and is leader of the 36-man Communist parliamentary delegation in the Japanese Diet. During the time he was in Yenan he went under the name Susumu Okano. The article is translated from the October issue of the Japanese publication *Hyoron*.

her trade accounts, especially at the present time. Contrary to foreign press dispatches, new China has considerable trade funds. Moreover, Chinese traders in the South Seas will back up new China financially.

4) China will call for such a trade as will benefit both China and Japan. China wants to help Japan's recovery and to be helped by Japan in her industrialization. How will such a trade relationship be possible?

Mutual Trust

In the first place, Japanese exports must be conscientiously made and Japanese technique must be high. Secondly, China must trust Japan absolutely. Japanese militarists of the past economically invaded and looted China. Japanese trade agencies were espionage agencies for the Japanese military. So the Chinese still fear and distrust the Japanese most of all foreign nations. This is quite natural when we realize how the Chinese have suffered at the hands of Japan.

The Japanese, therefore, must convince the Chinese that Japan today is very different from yesterday, intent on peace and democracy. Unless the Japanese succeed in this, China will not extend a helping hand to Japanese economic recovery. Japan needs Chinese coking coal and iron ore but the Chinese fear that they may be used for the purpose of making guns and tanks again.

So long as Japan allows a government like Yoshida's to lead her course, the Chinese will not stop distrusting Japan. Even the *Ta Kung Pao*, when it was a Chinese Nationalist paper, described the Yoshida Cabinet as militaristic. The Chinese Communist papers are criticizing it as most dangerous and reactionary, as are the toiling masses of Japan. Yoshida, with his desire to increase the police forces and to have foreign troops stay in Japan even after the conclusion of a peace treaty, is unmistakably fascistic. Japan must have a government of the people's democracy if she wants to be independent, free and prosperous.

There are various circumstances which are making it impossible to reopen trade with China. For instance, Japan's trade is under control. But the Allies are agreed that Japan must rely chiefly on foreign trade if she wants to be self-sustaining and that China will provide the most vital market for Japan. If the Japanese people earnestly desire reopening of Sino-Japanese trade, the Allies will permit them to do so.

Sino-Japanese trade is wanted by both capital and labor, for it provides a basic resolution to Japan's impasse. A national movement, participated in by both labor and capital, will be necessary to pave the road for resumption of Sino-Japanese trade. Private circles should take concrete steps for its resumption, such as requesting the sending of trade representatives to China and the inviting of Chinese trade missions to Japan.

— *SANZO NOZAKA*

China's Postal Service

Increased attention to rural areas and introduction of new activities since liberation shows the post office is coupling its tradition of efficiency with a new spirit of service.

CHINA's postal service has come a long way since the days of the I Chan (Imperial Government Courier Service), the Minchu (private letter agencies), the foreign post offices and foreign-directed postal administration.

The last vestiges of foreign control went with the passing of extraterritoriality, but it remained for liberation for the Chinese Post Office to show that it could couple its tradition of efficiency with a new spirit of service.

Already, in the East China area, mail service is being greatly expanded in the rural areas and new services have been added. In Shantung province, liberated some time ago, the postal workers are acting as subscription and circulation agents for newspapers and magazines to spread culture in the outlying districts, and elsewhere in East China this service is being instituted.

From time immemorial China had two postal institutions. Official government communications were sent through the I Chan. Private letter agencies, or hongs, originally set up by banks or private merchants to maintain business communications, delivered letters for private citizens.

Foreigners In Control

China's national post office, however, was from its inception largely a foreign affair. When the foreigners first arrived in China, they sent letters via the steamers plying China's coast, and in time this practice crystallized into a regular Customs Postal Department.

In 1896, when a decree was issued creating an Imperial Post, its organization and management was entrusted to the Inspector-General of Customs, Sir Robert Hart. The postal services accordingly functioned as a department of the Maritime Customs, which was under British control; and in 1898 the British Government requested and got assurances from the Chinese Government that so long as Britain predominated in the foreign trade of China the customs administration would remain under British direction.

At the same time, France asked for a similar assurance that China would place a Frenchman at the head of the postal service. This request was not granted immediately, but in 1911 the service was reorganized and became a separate administration under the Ministry of Posts and Communications, and a Frenchman, T. Piry, was appointed Postmaster-General with executive control of the service, although he was subordinate in rank to of Chinese Director-General.

In addition to a foreign postal director, China had a number of foreign post offices over whose mail she had no jurisdiction. By 1921 there were 150 of these post offices—124 Japanese, 13 French, 12 British and one American. One of the main evils resulting from this, as Morse and MacNair point out in their book "Far Eastern International Relations," was that "both dutiable and contraband articles—notably morphia, cocaine and opium—were introduced through certain of these offices into China on a large scale."

At the time of the Washington Conference in 1921-22, China finally obtained agreement from the foreign powers that these foreign post offices would be removed. But their agreements was contingent on China's promise to retain a foreign (French) Co-Director General at the head of her postal system.

When the Kuomintang National Government was established, the Directorate General of Posts was moved from Peking to Nanking, and in 1931 the foreign postal official was demoted from a Co-Director General to a Deputy Director General. With the retirement in 1932 of Mr. E. Tollefson, who occupied this position, a Chinese was temporarily named to the post and there is no record of a foreigner occupying the position after this date. A number of foreigners, however, continued to hold important positions in the postal service, and as late as 1938 almost half of the postal commissioners and deputy commissioners were foreigners.

The I Chan service was abolished in 1912-13, when the Post Office undertook transmission of all government dispatches, but the Minchu were harder to eradicate. These private letter agencies were required to register with the government, and any formed after 1931 were refused registration. As late as 1934, however, when they were ordered to close, there were 400 in Chekiang and Kiangsu provinces alone.

Impressive Reputation

During these years the postal service developed a reputation for being one of the best run organizations of the government and built up an impressive record for delivering the mail through war and internal strife. Foreigners were wont to point to it as an example of the good influence exerted by the years of foreign direction.

With liberation, however, China's postal workers realized that the modern postal facilities had been largely confined to the cities and that widespread rural districts were being neglected. The city post offices, too, were overcrowded with personnel while many small towns and villages had no postal representative.

Rural postal service is therefore being strengthened. Shantung province now has 35,000 *li* of rural postal routes and postmen call at every village or town once in every two or three days. Bicycle service has been instituted to increase the speed of the rural delivery and cut down on manpower, with the result that villages which never before enjoyed postal facilities now have regular mail. In the more newly liberated areas similar plans for rural development are underway.

In developing the postal service to serve as a medium for the spread of culture among the working class and peasants, the post offices are looking for guidance to the old liberated areas

in Manchuria and Shantung province. There the post office has become the main circulation agent for most newspapers and a number of magazines. Postal workers have been dispatched to work in the circulation departments of these publications, and postmen handle distribution to both subscribers and single copy purchasers.

Significant Move

To appreciate the significance of this, it is necessary to realize the circulation problems that have plagued publications in China in the past. Under inflationary conditions it was virtually impossible to set a realistic subscription rate for remote areas, since by the time the money was received its value would be nowhere near the original price. Moreover, single copy sales had to be confined to towns large enough to have a responsible sales outlet. The result was that the circulation of newspapers and magazines was limited and large sections of rural readers were deprived of cultural nourishment.

The Nanking and Hangchow post offices are now beginning to institute this kind of service, and a number of publishers in Shanghai have applied to the post office to handle sales and subscriptions.

The East China postal district, which includes Shantung, Kiangsu, Anhwei, Fukien and Chekiang provinces, is also extending its insured and value-declared letter service to the rural regions, thereby making it possible to remit money to and from the small villages and towns.

The savings and remittances business has been stepped up following a long period of relative inactivity. The Postal Savings and Remittances Bank, which was separated from the Post Office in 1929 despite the opposition of postal employees, has now been merged again with the Post Office, putting an end to the long disunity of postal and PS&R Bank employees. The new aims of the savings and remittances service are: 1) to serve the masses, 2) to aid in developing the rural economy, 3) to enhance the exchange of materials between rural and urban areas, and 4) to aid postal reconstruction.

Remittances can now be made to almost all areas of liberated China, and as the rest of the country becomes liberated and communication is extended to more rural areas, the remittance business should become increasingly prosperous.

The Shanghai post office shortly after liberation resumed its regular postal savings activities and has added short-term and parity unit deposits, the latter calculated in terms of commodity prices.

Immediately after liberation, the postal service suffered from shrunken business caused by the disruption of communications and the blockade. The Shanghai post office had a huge deficit in June and July. The Peking post office ran on a 70 percent deficit and the Hankow office showed a 90 percent loss. In Tientsin, the post office could barely cover its wage and salary costs.

Acting on the slogan "run the postal service as a business corporation and get the administration democratized," the post office launched an austerity and reorganization movement. Hundreds of postal employees in Nanking, Hangchow, Hankow, Changsha and elsewhere were dismissed. (In most cases these severed employees were referred to other organizations for jobs or given an opportunity to learn new trades. The Nanking post office handled its dismissals in a rather abrupt manner but made amends by summoning most of them back until proper arrangements could be made.) Postal employees in Nanking and Shanghai took voluntary pay cuts. Drives to reduce water, electricity and gasoline consumption were instituted. Hangchow effected a 55 per cent reduction in its use of water and electricity. Nanking saved JMP2,000,000 a month by eliminating bus service for its staff. Shanghai retrieved 34,000 kilograms of used paper from obsolete archives, enough, it was estimated, to take care of paper consumption for five or six years.

Budget Balanced

In August, the Shanghai post office balanced its budget, and during the months of September and October it cut down expenses by JMP17,375,860.

The post office derives its chief revenue from parcel post. Before liberation, due to the disruption of communications, this source of funds was greatly reduced. Now, as transportation has improved, parcel post revenue has been picking up and this has also helped postal finance. However, there is still room for improvement in parcel post service. The procedures need to be simplified and customs examination for domestic parcels could well be dispensed with. Guarantees should be made to ensure safer and quicker transmission. Steps are being taken in this direction and parcel post insurance and COD service already are in effect in Shanghai and elsewhere.

Postal transmission has improved as the various transport facilities open up. Mail shipped via Shanghai in August totalled some 87,110 bags, an increase of 214 percent over the June volume. The postal routes of liberated China by July amounted to more than 100,000 kilometers, including 17,000 kilometers of railway. Most of the transportation facilities are accorded to the post office by the various existing lines of communications, but the post office is considering and has already taken some measures to set up its own transportation lines where necessary.

Because of the blockade, only a small portion of mail from foreign countries is received directly in Shanghai; most of it comes by way of Tientsin. It is difficult to send mail to Kuomintang-held areas, but the post office is trying to dispatch it by sending it to Hongkong for re-forwarding.

The old postal system was somewhat irregularly organized in the old liberated areas. Administrative policy varied to a great extent according to military needs and political status. In some provinces, the posts and telegraph were incorporated into one institution, while other postal administrations functioned as departments of local city governments. Because of this, postage and stamps have not been uniform.

Unification Expected Soon

With the establishment of the Ministry of Posts and Telegraph in Peking, the unification of China's postal system will soon be realized. A few months ago, an All-China Conference of Postal and Telegraph Workers was held at which a resolution was adopted that the two sister departments be merged into one. This will take time to accomplish because in so many places they have been administered independently. In Manchuria, however, the posts and telegraph have long been under unified direction. The incorporation of the two in other parts of China will come about as soon as conditions are suitable.

Lenin, quoting a German social democrat, said that the postal service is a model of socialist economy and declared that the entire national economy should be formed like the postal service. It is with such a goal and aspiration that the postal workers of China are striving for the realization of the new postal service.

— *DUNCAN C. LEE*

Shanghai Post Office Becomes Self-Sufficient

SINCE 1940 the Shanghai post office has operated at a loss. Now, according to the *Giefang Rhbao* (Liberation Daily), it is not only balancing its budget but operating at a profit.

In June, the paper reported, the post office had a deficit of JMP240,000,000 and in July it was in the red to the extent of JMP410,000,000. But in August, the third month after liberation, the postal administration succeeded in balancing the budget and since that time the post office has made money.

Part of this, the paper said, is due to increased efficiency of administration and thrift measures, part to the steadily expanding services of the post office. In July, domestic remittances and guaranteed mail service were resumed. The postal savings business was resumed in September and in October the post office started to collect cargo payments at the point of delivery on behalf of commercial firms. Arrangements also were made with the China Products Insurance Company to begin mail bag insurance service.

In November, the Shanghai post office handled 2,611,073 more pieces of mail than in June, and 87,206 more parcels. By the end of November, there were 1,475 more postal savings accounts than in September. The number of remittances also increased, with 57,257 more drafts issued than in July and 35,416 more drafts paid out.

The East China Postal Administration has recently extended its remittance service to 18 more districts in Shantung and Kiangsu provinces, and the sending of remittances between these districts and the various localities in East, North and Central China and the border areas in Shensi, Kansu and Ninghsia provinces is said to have been started.

The Hunan Postal Administration also has added 10 more districts to the list open for remittances with East China.

Widow Tien Watched Her Pumpkins

A short story by Chao Shu-li (趙樹理)

Translated by Hu Ching-hsien (胡競先)

THE village of Nanpochuang had more poor folk than rich folk, and the pumpkins and beans growing in the farms were frequently stolen. It was of no use to hire men to watch in the fields. Each owner had to worry about his own crop. The one who was most fond of stealing was Chiu Sen. He had no land of his own, and the five or six mouths of his family, counting himself, his woman and his children, depended solely on food snatched from here and there. The one who feared stealing most was Widow Tien, because her pumpkins and beans were usually the first to ripen.

Nanpochuang had only about 30 to 40 families. And only Mr. Wang and Widow Tien had vegetable farms. Mr. Wang's farm measured more than ten *mow*, but as he commanded great influence, nobody dared to steal from his farm. So, although Widow Tien's vegetable farm was but half a *mow* in size, since nobody dared to steal from Mr. Wang's, it was natural that they should concentrate on hers. Hence, it was necessary for the Widow Tien to go and keep watch in her vegetable farm twice a year—summer and autumn.

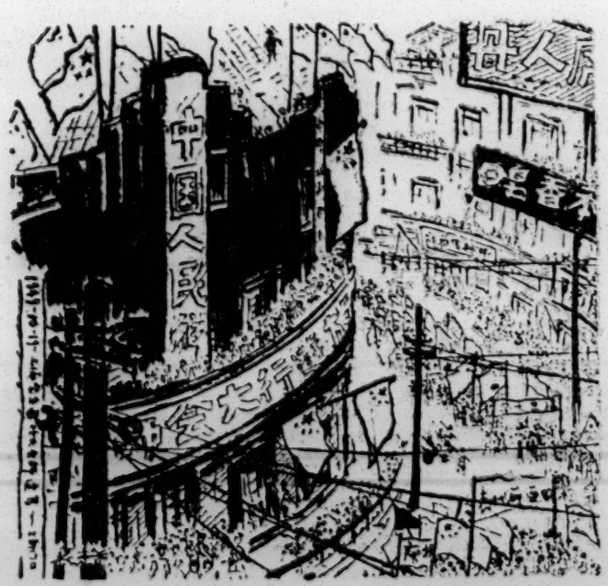
* * *

IN the spring of 1946, Nanpochuang had its land reform. Mr. Wang was a landlord, and his ten *mow* of vegetable land was divided up among poor folk. Widow Tien was a petty farmer, and her half *mow* was still her own. When summer rolled along, her pumpkins and beans, as usual, were the first to ripen. And, as usual, she went each day to her farm to watch her crop. The children told her: "This year you don't have to watch. Everybody has these things." But she would not believe them.

The author of this story, Mr. Chao Shu-li (趙樹理) was a member of the recent Chinese cultural delegation to Moscow headed by authoress Ting Ling and is regarded as one of the best contemporary Chinese Communist writers.—Editor.

It was not strange that she would not believe the children. She had had too many experiences. For such a long time Chiu Sen and his like had seemed to pick on her—it was actually the case that as soon as she turned her back upon her farm, something would be stolen.

Once, she only went home to fetch a bowl of rice, and on return, she saw Chiu Sen heading towards her vegetable farm. And Chiu Sen begged of her: "Elder sister-in-law! Give me a pumpkin—a small one. My kids are so hungry!" This immediately put Widow Tien in a low mood, and she purposefully said: "Where can I find any? Thieves have stolen them all!" Chiu Sen knew she aimed her words at him, but with his guilty conscience, he could not argue back, but continued to plead with her. And Widow Tien dared not offend him too deeply for fear that he might turn to stealing instead. She looked at her young and tender pumpkins, and could not bring herself to part with any of them. She deliberated a long time, and finally picked for him a pumpkin the size of a fist. Even so, she mumbled: "What a pity! It is still growing!"



Celebration in Shanghai streets.—Wen Hui Pao

Just after she sent Chiu Sen on has way, there walked past her Mr. Wang, gently waving his fan. He pointed at the back of the retreating Chiu Sen and said to her: "What a menace! What a menace! Ever since this place had these people, nobody can ever have any peace!" So saying, he hurried past her without even halting.

But these words so aptly summed up her own heart's worry that she could never forget them even if she lived to be a hundred. So when the children said: "One does not need to watch this year," she simply could not believe the words.

* * *

BUT whether she would believe them or not, facts were facts. One day she had a sun-stroke and was in bed for three days. And yet, when she did go back to her farm again, not the least bit of a thing was missing! She tried to resume her watch after she got well. But one thing after another happened which kept her busy at the house. She visited her vegetable farm once every three or five days and found nothing missing. She then visited it once every eight to ten days and still found nothing missing. Finally, she just made cross marks on those pumpkins left for seeds and decided to drop the watch altogether.

* * *

ONE day, nearing the end of harvest time, she went to Chiu Sen's home, and saw some dozen pumpkins lying in his yard. Among these were two which bore cross-marks, exactly like those which she made on hers. Suspicion rose afresh in her bosom. She would have liked to ask a few questions, but she was afraid that without sufficient evidence it might lead to trouble. Prudently, she decided to go to her own farm and take a look first.

While on her way, she ran into Chiu Sen, who was driving an ox-cart loaded with pumpkins. She asked in surprise: "Whose pumpkins are these? Such a great number of them!"

And Chiu Sen replied: "Mine! I've planted too many pumpkins!"

"But why did you plant so many?"

"You see, the children were so fond of pumpkins those other years that when I got my half *mow* of vegetable patch I said to myself that I would grow nothing but pumpkins on it! Who knew that I would harvest such a lot of these huge, stupid things! We can't eat them all. What profit I would have made if I had planted cereals instead!"

"Can't you sell them if you can't eat them yourselves?"

"Sell! Who's short of these things this year? Where can I sell them? There still are pumpkins in my farm! If you care for them, send your kid and have him take home some-basketfuls. All those years I've been eating yours!"

So saying, he went on his way driving his ox-cart, and Widow Tien no longer felt any need to go and see her pumpkins.

CHINA'S TRADE UNION MOVEMENT

Text of an address by Li Li-san, first vice chairman of the All-China Federation of Labor and Minister of Labor of the Central People's Government of China, at the trade union conference of Asian and Australasian countries in Peking, November 21, 1949.

OUR long-awaited trade union conference of Asian and Australasian countries, the convocation of which was decided in the first congress of the World Federation of Trade Unions in 1945, has opened in the victorious Chinese people's capital—Peking. This great conference of solidarity and victory will give a tremendous impetus to the labor movement and national liberation movements in Asia and Australasia. It is the fruit won under the leadership of the WFTU through years of continuous and uncompromising struggle conducted against the reactionary trade union leaders in the imperialist countries, Britain, the United States, France and the Netherlands—the splitters of the world labor movement.

Therefore, on behalf of the All-China Federation of Labor, I first and foremost salute the World Federation of Trade Unions, I salute the working class and peoples of all countries who struggle resolutely for a lasting peace and people's democracy. I salute the working class of Asia and Australasia who struggle courageously for their national liberation as well as their delegates who are present at this conference.

Now, I would like to take this opportunity to introduce to you briefly the experiences, lessons and the present conditions of the Chinese labor movement.

I. Victory of the working class and of the people of China

THE Chinese working class and the people, under the leadership of the Communist Party of China, have carried out long struggles for nearly 30 years. Through the four stages, the great revolution of 1925-27, the agrarian revolution of nearly ten years, the eight-years' Anti-Japanese war and the people's Liberation war from 1946 up to the present, we have passed through tortuous and difficult paths, and have employed and coordinated, in different stages, various extremely complex methods of struggle and forms of organization, legal and illegal, secret and open, sanguinary and non-sanguinary, peaceful and armed struggle, guerilla and regular warfare. So that now, a nationwide victory has been finally won and the People's Republic of China, led by the working class and based on the people's democratic dictatorship, established.

How is it that the Chinese working class and the Chinese people could defeat the long and brutal reactionary rule of imperialism, feudalism and bureaucratic capitalism and win the victory in such a semi-colonial, semi-feudalistic and backward country? This is a question many people want to ask urgently, particularly our friends in the colonial and semi-colonial countries which are still under the brutal imperialist rule.

First, the Chinese working class could lead the revolution to victory because of the fact that the Chinese working class, through ceaseless struggles, won the support of the broad masses of people, and became the true leader of the Chinese people's national liberation movement. The winning of this leading position was not only due to the fact that the working class has shown itself to be the bravest, firmest, most faithful, most thorough going, and most unselfish fighter in the national liberation movement of the Chinese people against the rule of imperialism and its stooges, thereby gradually winning the sincere and willing support of the broad masses of the people, but also because the Chinese working class has been skillful in using correct tactics, putting forward appropriate slogans, and taking the initiative to unite with all the classes, political parties and groups, organizations and individuals, who suffer from the oppression of imperialism and its lackeys, in forming a mighty national united front against them. In the first place, it united with the broad peasant masses in forming a firm alliance of workers and peasants. The Chinese working class realized that in a semi-feudalistic, backward country, the peasantry was its chief and most reliable ally, and firmly supported the peasantry's demand for land reform and brought forward a revolutionary agrarian program. It won the support of the broad peasant masses and organized agrarian revolution struggles in which broad peasant masses really participated.

Had the Chinese working class not united closely with the peasants who constitute 80 percent of the population, had it not put forward its revolutionary land program to lead the peasants' agrarian revolution, and had it not secured the firm support of the whole peasantry, they would not have been able to emerge victorious in the war and the revolution.

In the second place, it united with the broad masses of the petty bourgeoisie in the cities, especially the revolutionary intelligentsia. In countries which suffer from imperialist and feudal oppression and which are culturally backward like China, the intelligentsia frequently play a particularly important role. They are not only the initiators and propagandists of an anti-imperialist, anti-feudal ideology but are also frequently vanguards of the revolutionary movement. The working class should pay special attention to uniting this revolutionary force, though attention should be paid to taking precautions against the tendencies of hastiness, flightiness, running to extremes and adventurism, etc. inherent in their class so that they cannot affect the whole revolutionary movement.

Finally, the Chinese working class could build up the mighty national united front and establish its leadership in the national united front because it found the correct policy in dealing with the Chinese national bourgeoisie, differentiating the national bourgeoisie who oppose imperialism from the compradore bourgeoisie who have capitulated to imperialism, not opposing the national bourgeoisie as a national enemy but treating them as allies in the national liberation movement, and adopting the policy of both uniting and struggling, but mainly uniting, with them. This is because, generally speaking, although the national bourgeoisie in a country like China have many connections with imperialism, feudalism and bureaucratic capitalism, they have at the same time suffered from their fettering, exclusion and restriction. That is why, although the national bourgeoisie are prone to wavering and compromising in the national liberation movement, it has been possible to unite with them and win them over to the side of revolutionary masses of the people while the struggles against imperialism, feudalism and bureaucratic capitalism were going on. In this connection, it is required of the working class on the one hand to be skillful in using tactics of winning them over and uniting with them, while on the other hand, to be skillful at all times in exposing and opposing their wavering, compromising, and even designs of betrayal by a certain part of them. The working class must firmly oppose national capitulationism in the national united front, and at the same time oppose class capitulationism in its own ranks. Only thus can it establish its firm leadership in the national liberation movement. This is the first reason why the Chinese working class had led the revolution and won victory.

The second reason why the Chinese working class has led the revolution to victory is due to its grasp of the teaching of Comrade Stalin that "the characteristic and merit of the Chinese revolution is that it is an armed revolution against armed counter-revolution." After the failure of the first great revolution of 1925-27, many active elements of the Chinese working class left the cities under the white terror for the countryside to set in motion the struggle of agrarian revolution of the broad peasant masses against the landlords. In so doing they built up numerous small armed forces and set up guerilla bases which were developed and consolidated in the long period of guerilla warfare lasting for about 20 years until they grew into the powerful People's Liberation Army of today, with the highest political consciousness and the best discipline, and finally attained victory in overthrowing the reactionary regime and liberating the whole country. Since that time, the Chinese working class has taken special care in building the armed troops under its leadership and in supporting these troops and the guerilla warfare.

In the areas where the revolutionary regime was set up, the workers strove to unfold production movements, especially military production, to support the armed struggle at the front. In the enemy occupied cities, the workers preserved and accumulated their strength while secretly, absolutely secretly, managing to support the revolutionary troops, for instance, by sending their outstanding elements, particularly the activists who were exposed and could no longer stay in the cities, to join the revolutionary troops in the guerilla areas. In this way, the leadership of the working class in the revolutionary troops was strengthened while the revolutionary cadres were preserved. It was later borne out by facts that the great majority who were sent to the guerilla areas were preserved while the great majority of those who should not have remained but inadvisably remained behind in the cities under the white terror were sacrificed. The great majority of cadres, who were preserved in the cities, came up during the past 15 years.

When in its victorious development the People's Liberation Army was about to take a city, the workers fought to protect their factories against the enemy's designs to remove or destroy them and used all means to help and support the attack of the People's Liberation Army. And as soon as the Liberation Army entered a city, the workers exerted efforts in resuming production and restoring all the communications and water and electricity supplies to support the further advance of the Liberation Army.

Through protracted struggles, the Chinese working class has acquired, from its experiences and lessons learned through bloodshed, the knowledge that in a semi-colonial and semi-feudalistic country like China,

the working class definitely cannot fundamentally better its status and livelihood, not to speak of winning the revolutionary victory like that of today, without building a revolutionary army under its own leadership and waging a revolutionary war against the rule of imperialism and its lackeys with the support of broad masses of the people.

But on the other hand, in the areas where the ruling forces of imperialism and its lackeys were concentrated, especially in the cities where the enemy rule was strong and where armed struggles could not be conducted and when the revolutionary movement was at its low ebb, the policy of lying low with its compact organization and accumulating strength was adopted by the labor movement so as to wait for the ripe moment. This was the policy against the then existing tendency of desperatism and adventurism in order to avoid fighting pitched battles with the enemy under unfavorable conditions. Work should be carried on by making use of the smallest possibilities of legal and open activity, by secretly joining the yellow trade unions, even including the Kuomintang reactionary trade union organization and all other legal organizations; and by making use of every minute contradiction in the enemy ranks to organize and educate the working masses, to lead them in the day-to-day minor struggles for the improvement of their living conditions, no matter how small the improvement might be, so as to wrest the leadership of these legal organizations, and, finally, when the suitable opportunities present themselves, to organize movements of a broad mass character by making use of these legal organizations with great vigilance and resourcefulness to further the high tide of the revolutionary struggle.

All these legal activities and open struggles, of course, had to be conducted in various forms and through various contacts, so that they might be carried out under an absolutely secret Communist organization. In this way, legal struggles were combined with revolutionary secret work, thus accumulating revolutionary strength for the ripe moment when the workers would be called upon to collaborate with the People's Liberation Army in occupying the city. This was the main direction of work in the cities before the victory of the revolution.

For quite a long time, because we did not realize the fact that, under the rule of fascist white terror in a semi-colonial and semi-feudalistic country like China, revolutionary trade union organizations and revolutionary struggles had no legal protection whatever, we did not know how to organize proper defense and retreat on the occasions when the movement met with setbacks; on the contrary, we adventurously organized offensives and openly organized workers' strikes and demonstrations and even armed struggle. As a result, the revolutionary organizations and revolutionary forces in the cities suffered severe damage and destruction, creating terrific losses and at one time even leading to the destruction of practically all organizations of the Party and revolutionary mass organizations by the enemy. I myself have committed serious mistakes on this question and therefore especially feel deeply about this historical lesson.

Later on, owing to the correct leadership of Comrade Mao Tze-tung and Comrade Liu Shao-chi, who sternly criticized this mistake of "left" adventurism, we found the correct direction and the correct method of combining open and secret work, and, after 15 years of strenuous efforts, attained great achievements in the work in the cities; thus enabling our army to obtain strong support from the broad masses of workers in liberating the cities as they do today. In the experiences of China, right opportunism was also opposed and this occurred during the two periods of united front with the Kuomintang. The tendencies of legalism and liquidationism were also opposed and they occurred during the early period after the failure of the first great revolution. But this mistake of right deviation did not exist long as an ideological trend and was soon overcome. But right after this right deviation was overcome, there occurred a left adventuristic deviation which endangered the Party for a long time, causing greater losses to the Party. It was only after this left adventuristic deviation was completely overcome that the movement took the correct track and advanced smoothly to attain final victory.

The third and the most fundamental reason why the Chinese working class has led the revolution to victory is the fact that the Chinese labor movement has always been under the leadership of the Communist Party of China. The Chinese labor movement and trade union organizations grew up only after the birth of the Communist Party. Therefore, the Chinese labor movement was from its very beginning under the leadership of the Communist Party of China and accepted the theoretical guidance of Marxism-Leninism. Therefore, the Communist Party of China enjoys a great prestige among the Chinese working class and has the support of the broad masses of the people. The Communist Party of China enjoys such a great prestige among the Chinese working class and broad masses because it has, after traversing long tortuous paths, grasped and mastered the theory of Marxism-Leninism and become skillful in using this theory to analyze the concrete and objective conditions in every stage, in deciding upon the correct strategy, in dexterously employing tactics, changing the method of struggle and form of organization according to the change in the objective situations, so that the greatest successes were achieved by the mass revolutionary movement with the smallest sacrifices.

Within the Chinese Communist Party, a struggle was conducted on two fronts against right opportunism and left adventurism. In particular, the dogmatism of mechanically transplanting foreign experiences regardless of the concrete objective conditions was overcome while the empiricism which was reluctant to accept the guidance of the revolutionary theory of Marxism-Leninism was rectified. In this way, the Party grasped the truth: "Marxism is not a dogma but a guide to revolutionary action," and thus obtained the leadership of Mao Tze-tung's ideology which unites Marxist-Leninist theory with practice in China. The banner of Mao Tze-tung thus became the banner of liberation and victory of the Chinese working class and all the Chinese people.

These are the conditions at home leading to the victory of the Chinese revolution. But with simply these conditions there could be no victory, which must also have favorable international conditions. And they are the existence of the socialist Soviet Union and the sympathy and support of the Soviet Union and world working class. The victory of the Russian October Socialist Revolution pointed out to the Chinese working class the road to liberation and gave them great inspiration and encouragement. The victory of the anti-fascist Second World War led by the Soviet Union resulted in the defeat of the German-Italian-Japanese fascist bloc and the establishment of the various new democracies in East Europe, and inspired the heroic struggles of the working class in the West and of the oppressed nations in the East. The main attention of the imperialists was drawn to Europe, thereby enabling China to break through the imperialist front in the East, to defeat the reactionary rule of American imperialism and its running dog Chiang Kai-shek, and win a complete victory. Just as Chairman Mao Tze-tung said: "If the Soviet Union did not exist, if there were no victory of the anti-fascist Second World War and no defeat of Japanese imperialism, if the various new democratic countries did not come into being, if there were no rising struggles of the oppressed nations in the East, if there were no struggles of the masses of the people in the United States, Britain, France, Italy, Japan and other capitalist countries against the reactionary cliques ruling over them, and if there were no sum-total of these things, could we have won victory? Obviously not. It would also be impossible to consolidate the victory when it was won." Allow us therefore to express here our gratitude and respect to the working class of the Soviet Union! Our gratitude and respect to the working class of the whole world! Our gratitude and respect to the great teacher of the world working class—Stalin!

These are the reasons why the Chinese working class and the Chinese people have won victory in the revolution. A study of these reasons, a study of the experiences and lessons of the Chinese revolution, is of great practical revolutionary significance not only to the Chinese worker, but also to every worker abroad, particularly to the workers of the Asiatic countries still under imperialist oppression—this is a fact which needs no explanation.

II. The present situation of the Chinese labor movement.

A. Chinese trade union organizations are rapidly growing.

At the time of the convocation of the Sixth All-China Labor Congress in August, 1948, there were 2,830,000 trade union members all over the country under the leadership of the All-China Federation of Labor.

During the past year, with the rapid development of the people's war of liberation throughout the country, trade union organizations developed rapidly. For instance, of the 1,200,000 workers in Shanghai, nearly 710,000 have joined trade union organizations, and nearly 200,000 of the 400,000 workers in Tientsin have joined trade unions. In all districts and cities, trade unions are also being established and expanded one after another.

The All-China Federation of Labor plans to organize fundamentally the workers, first the industrial workers, of the whole country in about one year's time. Before May next year national industrial unions will be established in the ten industrial departments of railway, seamen, postal service, tele-communications, metal, textile, fuel, food, publication, and culture and education, in order to lead workers of the whole country more effectively to take active part in the great tasks of building up the new China.

B. Labor movement in various large cities after liberation.

The special feature of the Chinese revolution is not the occupation of the cities through the uprising of the urban workers, but the seizure of the cities after the extermination of enemy forces by the People's Liberation Army. Therefore whenever a city is liberated and the working class has changed from its former brutally oppressed position as a slave into the master of society and state enjoying all free and democratic rights, the primary task of the trade unions is to educate the workers, arouse their class consciousness, and organize them to cooperate in taking over the enterprises originally in the hands of bureaucratic capital.

First and foremost it must be explained to the working masses that the working class, after liberation, is the master of the state and society and the master of state enterprises. They must be called on to organize at once their shop stewards councils, elect representatives to participate, together with the taking over personnel of the people's government, in the tasks of taking over and examining inventories, and further carry out work of organizing trade unions. In this way, the work of the taking over of bureaucratic capitalist enterprises can be quickly and systematically fulfilled in a planned and organized way. The workers also devise many ways to overcome difficulties and speedily resume production.

State enterprises are the property of the people's state. For the purpose of enhancing the sense of responsibility among the workers as masters of the state and publicly-owned enterprises, we have adopted the system of democratic factory administration within these enterprises, applying the policy of depending on all the workers and employees to run the factories and enterprises efficiently, absorbing workers to take part in the control of production and establishing the organization of factory administration committees headed by the factory manager and participated in by representatives elected from the workers and the staff—thus transforming former bureaucratic capitalist enterprises into new democratic enterprises.

With the new attitude of masters, the workers are happily and consciously laboring, thereby greatly increasing the efficiency of production. For instance, the output of 42 of the publicly-owned factories taken over by the people's government in Tientsin, up to June this year, was 50 to 80.5 percent more than that in the reactionary Kuomintang period. After the workers participated in factory administration, large numbers of capable workers have been promoted to be cadres for the control of production.

In private enterprises, after the liberation of each city, waves of workers' struggles immediately ensued. As the capitalists lost the support of the reactionary regime, they could not but make concessions to the demands of the masses. As a result, the former feudal oppression suffered by the workers has, in general, been obliterated, while the position of the workers has been greatly raised and their livelihood generally improved.

However, the demands of the workers were sometimes too high. Their actions and forms of struggle were in some cases inordinate. This had effects on the close down of some enterprises, stoppage of production, and the passive running away of the capitalists; these are detrimental to the paramount interests of the resumption and development of production.

Therefore, right from the beginning, we carried out education on the policy of developing production and benefiting both labor and capital, among the working masses in the private enterprises, so as to correct the "left" deviation of excess which is detrimental to the long range interests of the working class.

Our policy of benefiting both labor and capital is fundamentally different from the policy of cooperation between labor and capital of the social reformists in Western Europe. Labor-capital cooperation of the Social Democratic Parties is a reformist policy adopted under the bourgeois governments for the purpose of deceiving the workers and maintaining their rule.

Our present policy of benefiting both labor and capital is adopted under the new democratic government for the purpose of rehabilitating and developing production to consolidate the regime which is led by the working class. The principal method to realize this policy is the signing of collective contracts between labor and capital in various trades containing provisions on working conditions and the rights and obligations of both labor and capital, etc. This changes the former relation in which labor was completely under the slavish oppression by capital into a relation in which contracts are signed on an equal footing.

When there are still disputes after the signing of such collective contracts, they have first to go through negotiations on a footing of equality based on the contract. If the negotiations fail, then the labor bureau of the people's government solves the disputes through mediation or arbitration.

In the process of drawing up collective contracts between labor and capital, labor unions in private enterprises are also rapidly developing and being strengthened.

C. The present wage system.

Under the new democratic government, the wage system in state enterprises is based on the principles of "pay according to work done," and "more work, more pay." We oppose equalitarianism and adopt various methods and systems of awards to encourage technical progress and labor initiative. At the same time, we guarantee the workers' minimum living standard, and couple the improvement of the workers' livelihood with the development of production.

It was decided by the Sixth Labor Congress that the minimum wage of an ordinary worker should be sufficient for him to maintain the living of two persons, including himself. Wages were calculated in kind so as to ensure that the real income of the workers would not be affected by the fluctuation of commodity prices. The principle of equal pay for equal work is applied for women and juvenile workers.

In the newly liberated cities at present, the method of fundamentally maintaining "former position, former pay" is adopted temporarily in order to guarantee the systematic and complete taking over of state and public enterprises. As to the unreasonable wage system under the Kuomintang rule, only initial adjustments are made. Therefore, generally speaking, the present wage system is still very confusing and unreasonable. The Committee of Finance and Economics of the Central People's Government and the All-China Federation of Labor are jointly studying the drawing up of a national unified wage system in order to facilitate the development of production.

D. Labor insurance and welfare work.

Under the oppression of imperialism, feudalism and bureaucratic capitalism, the life of the Chinese working class had not the least protection. China never had any national labor insurance system whatsoever and workers never received the slightest relief from the state in the eventuality of disability, injury, sickness or death.

After the establishment of the present people's government, the adoption of a proper labor law for the protection of workers has become a very pressing task. The general principle for the realization of national labor insurance was passed among the resolutions of the Sixth Labor Congress.

In accordance with this principle, the "Wartime Labor Insurance Regulations" promulgated by the administrative Committee of Northeast China in December 1948 provide that all public enterprises are to pay a monthly labor insurance fund equivalent to 3 percent of the total amount of wages. In addition, medical treatment of workers and wages during the period when they are injured or sick are to be paid by the enterprise concerned and not from the insurance fund.

Statistics of July this year showed that in the seven big industrial departments, railway, mines, arsenal, military supplies, postal and telecommunications, electricity and textile, in Northeast China alone, the number of workers and their relatives who benefited by labor insurance reached over one million. There were besides 333 workers' hospitals and sanitoriums with 2,316 doctors and nurses. Twenty-one nurseries, child welfare institutions, homes for the disabled etc., were under construction. Certain enterprises in other liberated areas have also made plans modelled on such lines and are beginning to carry them out. For instance, in Tientsin alone, 230,000 workers and employees are benefiting from the welfare establishments of the trade unions.

Labor protection and welfare work in new China were gradually instituted under difficult conditions of war and rehabilitating production. They will be carried out and expanded step by step on a nationwide scale with the complete victory of the war of liberation and the development of reconstruction work.

E. Political, cultural and educational work.

As the cultural standard of the broad masses of the Chinese people is generally very low, over 50 percent of the working masses are illiterate. Furthermore, they were for quite a long period under the deceitful propaganda of imperialism and Kuomintang reaction. Therefore, the carrying out of general political, cultural and technical education among the working masses and the close linking up of their education with the raising of production have become the day-to-day important tasks of our trade unions.

In the initial stage after the liberation of a city, we employ the method of holding big classes and organizing short-term training classes to conduct a widespread education on policy and class consciousness among the working masses. This brought about great results in raising the consciousness of the working class.

To ensure that workers can receive education in their spare time, the people's government has stipulated that the administration in every enterprise and factory should earmark a sum equivalent to 1.5 percent of the total wage for the trade unions as a cultural and educational fund of the workers, and should provide the trade unions with various facilities for education work.

Trade unions and governments in different places are setting up all kinds of workers' schools and training courses according to plan. According to incomplete data in July this year, there were in Manchuria alone at that time 998 schools and training courses with an enrollment of 325,957 workers. In addition, there were workers' political colleges, and workers' cadre schools for advanced education. Technical schools for various important industries such as railways, mines, postal and telecommunications, electricity and textile, were run by the government with subsidies for students who are workers. The technical personnel thus brought up will play a great part in the construction of new China.

In addition, spare time study for workers is universally carried out in the form of broadcasts, evening schools, lectures, disscussions, study groups, libraries, literacy classes, blackboard newspapers, and by organizing all kinds of cultural and recreational activities to carry out mass education among the workers. For example, according to incomplete data for July this year, in 99 state and public-owned factories and seven private factories in Mukden, there were 69 radio programs by the workers, 564 literary and correspondence groups, 213 theatrical and yangko groups with 16,979 participants, 181 basketball teams, and 47 clubs. Of five industrial

unions in Tientsin more than 20,000 workers are participating in cultural and recreational activities.

The working class after liberation is enjoying cultural life which was formerly completely denied it by the ruling class.

III. Chinese labor movement and world labor movement.

The Chinese working class has not only always struggled for independence and democracy of the Chinese nation, but always upheld the principle of solidarity and unity with workers of the whole world. It has taken part in the founding of the World Federation of Trade Unions, and resolutely supported all its decisions and advocacies and firmly opposed the blacklegs who undermine the world labor movement.

The Chinese working class, uniting with the people of the whole country, resolutely supports the sacred struggles in defense of world peace and people's democracy headed by the Soviet Union; it resolutely opposes the policy of aggression headed by American imperialism, opposes racial discrimination and oppression of nations, as well as the intrigues of the remnant fascist elements plotting for a new war.

On October 2, International Day of Struggle for Peace this year, that is, the day following the birth of the Central People's Government of the Chinese People's Republic, our whole nation held huge demonstrations with unprecedented enthusiasm in defense of world peace and democracy. In Shanghai, masses participating in the demonstrations reached one million, while in Tientsin the number reached 300,000. Gigantic demonstrations and parades were also held in other large cities. This indicates that the Chinese working class and the Chinese people wholeheartedly support the common cause of the working class and peoples of the world.

The Chinese working class cherishes boundless class sympathy and concern for the fellow workers of Asia and Australasia who are still under the brutal oppression of imperialism and will render them all possible fraternal assistance. The Chinese working class has always been educated by the Communist Party of China in internationalism and will certainly always remain true to internationalism and fulfill all its duties.

IV. Task of the Chinese labor movement.

After attaining victory of the people's revolution, the Chinese working class has become the leading class of the state power; its responsibilities have become heavier than ever before. If the working class is to play the central and leading role in the political, economic and cultural construction, it should first and foremost organize itself, raise its own class consciousness, and become the most conscious, best organized and best disciplined force. It should turn the trade union organizations into schools of new democracy in which the workers learn to administer the state and factory in order to struggle for the construction of an independent, democratic, unified, peaceful, prosperous and strong new China.

In view of this, the central tasks of the Chinese labor movement in the future should be:

1) Organizing and leading the workers in striving for the rehabilitation and development of production is the highest interest of the working class. It is also the most fundamental task of the Chinese trade unions. In public enterprises, trade unions should do their utmost to enhance the sense of responsibility of the working masses as masters of the enterprises, organize production emulations, give full play to workers' enthusiasm, educate the workers to observe labor discipline, to take care of public property and strictly carry out an economy movement, in order to raise the productivity of labor, improve the quality of products and lower the cost of production, so that the state may accumulate more capital to develop production.

In private enterprises, they must also correctly carry out the policy of benefiting both labor and capital in order to attain the goal of developing production. In this way, the national wealth will be increased and the industrialization of the country stepped up so as to prepare material conditions for passing into socialism.

2) Trade unions should be the pillar of the people's democratic regime. Now that the Central People's Government led by the working class has been established, the trade union should organize and educate the masses to support this government through practical action and set the example in abiding by the law so as to educate and supervise those who do not faithfully carry out the laws of the state; oppose the sabotage and disturbances caused by Kuomintang agents; and ensure "implementing of every order issued" through the broad mass support for the state.

At the same time, they should gradually select and send the best worker cadres to participate in the work of government organs of all levels so as to consolidate the leadership of the government by the working class and to overcome gradually the bureaucratic working style in the government organs.

3) Trade unions should protect the interests of the working class and struggle for the improvement of the livelihood of the workers. The trade unions should first of all draw up labor protection laws, such as labor insurance law and factory law, and submit them for promulgation by the Central People's Government. Together with the financial and economic departments of the government, they should jointly draw up a nationwide unified wage system on the basis of "pay according to work done," so as to protect the essential minimum living standard of the workers and stimulate the development of production.

At the same time, they should in the public enterprises oppose the bureaucratic misinterpretation of the state laws, while in private enterprises they should oppose the excessive exploitation of the workers by the capitalists in violation of the law. Whenever possible, they should undertake all kinds of welfare work, such as improving medical and sanitary facilities, organizing the dependents of the workers for production, cooperatives, kindergartens, mutual help savings, in order to alleviate the difficulties of the workers and better their living conditions.

4) Trade unions should intensify the work of political, cultural and technical education. They should draft concrete measures and request the people's government to provide the workers with various facilities and priorities of education. Apart from this, they should strive to conduct spare-time education, popularize political, cultural and technical classes, and promote workers cultural, athletic and recreational activities, so as to raise gradually the political, cultural and technical level of the workers, and bring up all kinds of cadres to participate in government and economic administrative organs.

Simultaneously, the trade unions should strengthen education on internationalism among the working masses, especially the studying of the experiences of the workers of the Soviet Union, and also of all the resolutions and directives of the WFTU, so that the Chinese working class may become staunch fighters of internationalism.

5) In order to fulfill the above-mentioned colossal tasks, the Chinese trade unions should first of all organize, expand and consolidate their own organizations. This requires them to overcome all forms of close-door policy, to spare no effort in increasing trade union membership so that they may gradually become true mass organizations comprising all employed workers of the country.

At present, in conformity with the need for nation-wide unified planning in the fields of political and economic construction, the All-China Federation of Labor should center its work on the establishment of national industrial unions. At the same time, it should strengthen its leadership over the regional trade unions, especially over the trade union organizations of big cities, because the practical trade union work at the lower levels in factories and enterprises can only be well established through the leadership of these regional trade union organizations.

Moreover, in order to have sound trade union activities, we must resolutely rectify the system of appointments from above and merely issuing orders by carrying out elections of all trade union cadres and absorbing every trade union member to participate in trade union work voluntarily and consciously, so that the broad masses of members feel that the trade unions are really their own organizations. Only thus can the trade unions enjoy great prestige among the working masses and fulfill the colossal tasks of organizing and leading the vast working masses to participate in state, economic and cultural construction.

Comrades! Because the Chinese revolutionary war has not yet ended, because all kinds of reconstruction work are still in their initial stage, and because imperialism and the remnant reactionaries within our country are still putting up their dying struggle, trying to obstruct the progress of the liberation work of the Chinese people by means of blockade and destruction, there are still many difficulties in the way of the advance of the Chinese working class.

Nevertheless, we firmly believe the Chinese working class, under the leadership of the Chinese Communist Party and Chairman Mao Tze-tung, will, with the most resolute, heroic and militant spirit, unite with the people of the whole country to surmount all difficulties and advance steadily toward the goal of socialism.

There still exist serious defects in the trade union work in China. In the first place, the workers organized in the trade unions comprise but a small portion of the working class. Trade union organizations are still not very sound. All measures for the protection and betterment of the workers' living conditions are still in their initial stage. And particularly, systematic measures for participation in the state and economic construction are still lacking. Such grave defects must be quickly overcome before we can advance.

We earnestly hope that our brothers of the working class of all countries, especially the great working class of the Soviet Union that has had 30 years of experience in reconstruction work, and the All-Union Central Council of Trade Unions, and the highest leading organ of workers in the world, the WFTU, will give us fraternal help and instruction, so that we may quickly overcome our weaknesses and fulfill the huge task which we must accomplish: the construction of a strong new democratic new China so that the camp of world peace and democracy will be further reinforced. All the imperialist plots for a new war will then completely go bankrupt, and the lasting peace and people's democracy of mankind and the victory of the national liberation movements of all the oppressed peoples will then be ensured.

Long live the solidarity of working class of Asia and Australasia!
Long live the World Federation of Trade Unions!
The proletariat of the world, unite!

(Translated by the New China News Agency)

NEWS OF THE WEEK

Yunnan Defection; PLA Begins Production; Australian Elections

FOLLOWING a week of rumors, there is now definite news that General Lu Han, Governor of Yunnan province, has broken off relations with Chiang Kai-shek and requested cooperation with the Central People's Government.

On December 11, all Nationalist resistance in southwest China ceased when General Li Min, commanding the 8th Army, and General Yu Cheng-wan, commanding the 26th Army, published their decision in a Kunming newspaper to lead their troops against other Nationalist forces and cooperate with the People's Liberation Army.

The Generals' defection eliminates all Nationalist forces in Yunnan and leaves the way open for the PLA to reach the Burma and Indo-China borders.

Li Min and Yu Cheng-wan had been detained in Kunming, provincial capital of Yunnan, by the governor, General Lu Han.

It was reported that General Chang Chun, former Nationalist Premier and until recently Commander-in-Chief in southwest China, had also been detained in Kunming by defecting troops. Latest reports say that Chang Chun was released and proceeded to Hongkong.

Advance in Szechuen

The defense of Chengtu, last Nationalist stronghold in Szechuen province and one of the last on the China mainland, was reported crumbling as General Hu Chang-nan hastily withdrew his armies southwest towards the mountains of Sikang.

The Hongkong paper *Sing Tao Man Pao* said the Chengtu garrison had taken over the defense of the city from Hu Chang-nan.

On December 12, a column of PLA General Liu Po-cheng's army was reported advancing on Hsintsin, about 15 miles southwest of Chengtu.

The fall of Hsintsia would cut off Nationalist troops in Szechuen from retreat into Sikang.

Mountainous, thinly-populated Sikang is the last mainland province left to the Nationalists. It is said that Sikang governor Liu Wei-hui has long been on bad terms with Chiang Kai-shek, and he opposed the Nationalist plan to maintain a foothold on the mainland by setting up a headquarters in Sikang.

Retreat to Taiwan

On December 8, Chiang Kai-shek and Yen Hsi-shan left Chengtu, Yen flying directly to Taipeh and Chiang detouring through Hainan Island. Chiang reached Taipeh, the new Taiwan capital of the Kuomintang remnants, on December 10.

It is reported from Hongkong that Chiang is expecting to issue a lengthy statement any time now.

Not many of the foreign accredited diplomats to the Nationalist regime at present in Hongkong will proceed to Taipeh.

At present the United States, Britain, France, Belgium and South Korea have consular representatives on Taiwan.

Meanwhile press reports say that Taiwan is facing an economic crisis following the loss of its north and east China markets for sugar, tea, petroleum and other products.

The cost of living is said to be soaring, causing considerable hardship among the people.

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Japanese Steel For China

THE first direct shipments of steel to the Chinese People's Republic is to go to north China ports during the next two weeks, said Tokyo reports on December 8.

Officials of the Yawata Iron Works in Kyushu said that 200 tons of concrete bars will leave Yawata on December 19 for Tsingtao and 500 tons of wire materials for Tientsin on December 20.

Yawata Iron Works is planning to import 20,000 tons of Kailan coal from China before the end of the year, it was added.

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PLA Begins Production

PRODUCTION plans for 1950 are being drawn up by People's Liberation Army units in north China. This is in response to Chairman Mao Tze-tung's directive, calling upon the People's Liberation Army to participate in production to help the Central People's Government and the people to heal the scars of war and to strengthen the economy.

According to the *New China News Agency*, the PLA group around Tientsin have proved that they are an army of production as well as of national defense. During the past few months, they have been working on the land and engaging in various productive occupations during intervals of garrison duty and hard training.

One unit of the army has tended 90 acres of crop and vegetable land. One battalion alone harvested more than 200,000 lbs. of vegetables which will answer the battalions needs in this line for two months. Men in this unit also raised 1,100 hogs, besides collecting some 350 tons of firewood and fooder for the kitchens and stables of the army. They also operated several flour mills and oil presses.

The extra cash thus obtained brought marked improvement in the living standard of the fighting men.

According to the plan of one army group, each soldier will bring about one-third of an acre of land under the plough next spring. The digging of fish ponds and the setting up of livestock farms also come under the plan. Iron workshops, brick and lime kilns, flour and paper mills, will also be gradually established. New barracks, playgrounds, classrooms and roads will be constructed around the farms.

This work will be accomplished side-by-side with the military and political training of the troops.

Several engineers and agronomists are now working with this army group which is setting up "production committees" in battalions and regiments to direct the carrying out of the 1950 spring production plan.

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Tsiang For Chiang

AT Flushing Meadow on December 8, the General Assembly of the United Nations approved two resolutions on China by large majorities.

The Assembly decided, by 32 votes to 5, with 17 abstentions, to refer T. F. Tsiang's charges against the Soviet Union to the Interim Committee or "Little Assembly."

The Soviet Union does not recognize the "Little Assembly."

The General Assembly, by another large margin, also called on all members to follow a "hands off" policy in China, introduced by American delegate Philip Jessup, and to respect the right of the Chinese people to choose their own form of government.

The General Assembly resolution will allow the "Little Assembly" to consider T. F. Tsiang's complaints and any other complaints regarding the relations between the Soviet Union and the Chinese People's Republic.

Tsiang, head of Chiang's delegation to the United Nations, is reported as saying that he would continue to press for condemnation of the Soviet Union's alleged violation of the Sino-Soviet Treaty when the Assembly's Interim Committee meets in New York.

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Exit Visa Regulations

A FOREIGN national may leave China only from his port of residence, a foreign national being recognized as a resident of a city or port after remaining there for three months or more, according to police authorities.

Foreigners who plan to leave China via Tientsin must obtain exit visas from Tientsin and, additionally, reside in the northern port for three months before applying for an exit visa from there.

Considerable attention is now being given by a number of foreign nationals in Shanghai to the possibilities of departing for foreign destinations from Tientsin.

Tientsin is now the most favored port of departure because of its comparatively regular shipping service. It is reported that British, American and other foreign vessels are calling there twelve or more times a week. These vessels leave the port for various foreign destinations, including Hongkong, Korea, Japan and the United States.

Asian Women's Conference

THE conference of the women of Asia opened in Peking on December 10 in the historic hall where the Chinese People's Political Consultative Conference met to found the People's Republic of China.

Women leaders from 15 Asian countries were present at the opening session to begin a week-long discussion of the tasks before the women of Asia in their fight for world peace, for national independence and for the rights of women and children.

In her opening speech, Tsai Chang, vice-president of the Women's International Democratic Federation and chairman of the All-China Democratic Women's Federation, described the conference as "symbolizing the unprecedented grand unity of Asian women."

"We are united," she said, "with a common will to oppose imperialist aggressive war, to fight for the complete liberation of the oppressed nations in the colonies and semi-colonies."

She said: "The building of the four states of a new pattern—the People's Republic of China, the Mongolian People's Republic, the Democratic Republic of Korea, and the Republic of Vietnam—has pointed the way for the struggle in Asian colonies and semi-colonies."

Tsai Chang was greeted with applause when she said that all these countries have borne out the truth: "The movement of women's emancipation is part of the national liberation movement. The former must be closely linked with the latter before it is possible to successfully extend the national liberation movement and, simultaneously, the women's movement."

Mme. Vaillant-Couturier, general secretary of the WIDF, reported on the struggle of the WIDF for peace and for the independence of the people. There was long applause when she said: "We see that the camp of peace grows throughout the world, and we are proud that the fifty-nine national sections of the WIDF are an active part of it.

"The WIDF has fought against a new war, against the Marshall Plan and the Atlantic Pact. It has led a vast campaign for the outlawing of the atomic and other weapons of mass destruction. This campaign received the support of women in all countries."

She continued: "This meeting will make it possible for the women of Asia and the women of imperialist countries to intensify their struggle against their common enemy—imperialism."

Amongst the numerous telegrams and letters addressed to the conference were greetings from M. Joliot-Curie, chairman of the Permanent Committee of the World Congress for Peace, Madame Sun Yat-sen, and people's organizations in the Soviet Union, the new democracies, the United States, Britain, Finland and Nigeria, and other countries in Europe, Africa and the Americas.

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Sofia Treason Trial

AT the December 8 session of the Bulgarian treason trial being held in Sofia, one of the accused testified that the former Press Secretary of the British Legation, Dr. Steven Patrick House, had given him in 1948 an order to sabotage trade negotiations between Bulgaria and Hungary.

Ivan Tutev, former director of Bulgarian foreign trade, pleaded guilty and at great length told the court that he had been first recruited into British Intelligence in Germany in 1935. Later, he worked in Bulgaria under the direction of a one-time mistress of the late King Ferdinand, and finally was ordered into the underground Communist Party by British Intelligence.

Chairman Mao's Production Directive to PLA

MAO Tze-tung, Chairman of the People's Revolutionary Military Council, issued a directive on December 5, calling upon the People's Liberation Army to join in agricultural and industrial production during 1950.

According to the *New China News Agency*, the directive stated:

"The people's war of liberation has already won a basic nation-wide victory. Except for a few fronts where the People's Army must center all its attention to accomplish the pursuing and annihilation of the remnant enemy, a great number of People's Liberation Army men have gone or will soon go into training. The Common Program of the People's Political Consultative Conference stipulates: 'The armed forces of the People's Republic of China shall, during peace time, systematically take part in agricultural and industrial production to assist in national construction work on the condition of not hindering military tasks.' This gives our people's forces another glorious and gigantic task besides the great tasks of defending the country, consolidating public security and stepping up training. Because of this, the People's Revolutionary Military Council calls on the army to shoulder part of the task of production besides continuing to fight and performing other war services. This will make our People's Liberation Army not only an army of national defence but also an army of production to help the people all over the country to conquer the difficulties left behind by a long war and to speed up the new democratic economic construction.

"This production task must and can be accomplished.

"This production task must and can be accomplished because the protracted war unleashed by domestic and foreign reactionaries against the Chinese people has brought serious calamities to the people and serious destruction to the economy. Today, we have to carry on the revolutionary war and embark on economic cultural and national defence construction work. But the revenue of the country is insufficient to meet the expenditures. This is an enormous difficulty confronting us today. The only way to overcome this difficulty is the step-by-step rehabilitation and development of production by all the people of the country under the leadership of the Central People's Government. The People's Liberation Army must shoulder a part of the task of production, for only thus can the People's Liberation Army overcome this difficulty together with all the people of the country.

"This production task can be accomplished because an overwhelming majority of the men in the People's Liberation Army come from the working masses. They have a high level of political consciousness and skill in different kinds of production. They also once shouldered the task of production during the difficult years of the anti-Japanese war, and have experience of production as well as traditions of laboring. The broad masses of the cadres and old fighters in the People's Liberation Army know that, after taking part in production work, the Army not only overcame difficulties, cut down government expenditures and improved the livelihood of the Army, but also, through the training in labor, raised the political consciousness of the Army and improved the relations between the officers and men and the relations between the Army and the people. Another reason why this production task can be accomplished is in the areas where war has ended, the People's Liberation Army has spare time to take part in production and construtions work while shouldering the tasks of national defence, mopping up the bandits and stepping up training.

"The People's Liberation Army should take part in production from the viewpoint of long-range construction and not temporarily. Emphasis should be laid on increasing the wealth of society and the state through labor. Therefore, the chiefs of all military areas must instruct the troops under them to take part in the work of productive construction as from the spring of 1950 in order to improve their own livelihood and to save part of the state expenditure. To facilitate its spreading, the productive construction work should be made into a movement, and long-range plans and concrete steps should be worked out. The kinds of production should, with the permission of the People's Government, be limited to agriculture, stock raising, fisheries, irrigation works, handicraft, construction works and industry and transportation which can be engaged in. Dealings in commercial transactions shall be prohibited. Preparations for production should be made this winter by the leading organs of the Army by surveying and studying the conditions of the places in which they are stationed."

Chinese Papers Say:

Many financial difficulties ahead especially in budgetary fields; WFTU conference symbolizes unity of working classes of Asia and Australasia.

COMMENTING on the general problem of financial and budgetary deficiencies, the *Sin Wen Jih Pao* of December 6 pointed out that at a recent meeting of the Central People's Government Council it was revealed that during the coming year when the whole of China will have been liberated "the present number of 7,000,000 civilian and military public functionaries shall be increased to 9,000,000, and production enterprises together with communication facilities which have been damaged as a result of the war shall have to be restored, the budgetary expenditures for 1950 are bound to be greater than those of the present year.

"In the field of revenues, though the liberation of the whole of China shall undoubtedly increase the amount of revenues, yet, insofar as it takes time to put into order the taxation system in various new districts and as the increase in revenue can only take place in proportion to the development and restoration of national production, a balanced budget can only be achieved after the lapse of a certain period of time.

"In accordance with the report on the budget for 1950 rendered by Finance Minister Po I-po, total revenues can cover 81.3 percent of total expenditures, and there is a deficiency of 18.7 percent. This indicates the financial difficulties to be faced by the People's Government in the course of 1950."

Pointing out that this budget is for a year in which large-scale military operations will still have to be kept up for a certain time, the editorial said that it is remarkable that the deficiency is so small, and that the budget itself is a plan for surmounting present difficulties which will require the cooperation of the whole country.

"With a view to solving a part of our financial difficulties," continued the paper, "the Central People's Government has formulated the concrete plan of issuing, in the year 1950 and in separate stages, 200,000,000 'units' of People's Victory Bonds, redeemable in accordance with the value of the parity unit and with the interest also payable in parity units.

"At a time when the currency is not yet thoroughly stabilized, the purchase of this Bond will protect the interest of the buyer and enable 38.4 percent of the budgetary deficits to be met through other means than the issuance of notes, and thus contribute to the stabilization of the currency. It is altogether in conformity to both the interests of the individual and the interests of the people.

"It is entirely up to the people and in particular to the industrial and commercial circles of the urban districts," the editorial concluded "to do their utmost to promote the sales of the Bonds so as to surmount the prevailing financial difficulties."

WFTU Conference Ends

"The Trade Union Conference of Asian and Australasian countries, which is symbolic of the existing epoch-making unity of the working classes of Asia and of Australasia, victoriously adjourned in Peking on December 1," the *Ta Kung Pao* noted on December 3.

"Throughout the Conference, a spirit of friendship in strict accordance to the principles of internationalism, as well as a spirit aiming at increased international unity among the working classes, have been maintained. . . ."

The editorial pointed out that for the past hundred years or more the peoples of the East have suffered from the exploitation of imperialism, and that that era is fast drawing to a close, that in spite of the fact that "American imperialism may do what it can to keep the delegates from Japanese labor unions from participating in the Conference, nevertheless, the truth cannot be kept back. . .

"The mission of the Trade Union Conference of Asian and Australasian countries has been successfully fulfilled. . . We have met the delegates of the progressive labor unions of the world, who, for 20 years have not been able to visit us. In listening to the experiences gained by our brethren of all countries in the course of their struggles, we have been able to gain a better understanding of the principles of internationalism, of the exigencies of revolutionary struggle, and of the ways of productive reconstruction. The victorious Chinese workers have further been made to realize the magnitude of their responsibility. The Chinese worker as well as the Chinese people, accordingly, pledge ourselves to give all possible assistance to our international brethren who have been subjected to similar oppression. We shall view the impotent paper tiger of imperialism with scorn, learn from the workers of the Soviet Union, consolidate our unity with the progressive labor unions of Asia and Australasia, resolutely carry out the decisions reached at the WFTU, and struggle for the thorough implementation of these decisions.

"Let the reactionaries who are afraid of the future and therefore are trying to 'choke' the future, carry on in their madness. United under the banner of international friendship and love, we shall march on in unison with the people of the world, with full faith in our future. We have no doubt whatsoever," concluded the paper, "that victory shall be with the democratic and socialistic camp of peace."

Two other defendents, Nikola Pavlov Kolev, former administrative secretary of the Bulgarian Politbureau, and Teoniu Toncev, former director of the Bulgarian National Bank, also pleaded guilty.

The chief accused, Traicho Kostov, who the day before denied the charges against himself, made no attempt to challenge any of the evidence, although he was given the opportunity to do so by questioning the co-defendants following their pleas.

Tutev, who was in charge of all Bulgaria's trade relations, told the court he was recruited into the British Intelligence Service 14 years ago through the German industrialist, Alexander Mueller.

At that time, Tutev was a commercial attache in Duesseldorf. In 1940, he was asked to return to Bulgaria for work for the British there.

"In Bulgaria, I was contacted by an old woman, Sultana Raca Petrova, who was at one time the mistress of King Ferdinand of Bulgaria." (Madame Petrova died shortly after the war following an illness.)

Tutev said he worked for Petrova as a British agent against the Germans, but in 1943 was ordered by her to enter the illegal Communist movement for long-term work.

"She told me," he said, "that the British leaders were aware that the war would soon end in the defeat of Germany and also realized that the Russians would win even if there were no second front. In these circumstances, she said, the Soviet and Communist influence would dominate in the Balkans and, as Bulgaria was strategically important, the British Government could not merely reconcile itself to that. Therefore, trusted people had to be infiltrated into the Communist Party."

The trial is continuing.

* * *

Australian Elections

IN the general election for the Australian Government held on December 10, a Liberal-Country Party coalition defeated the Labor Party which has been in office for eight years.

Though the final figures of the voting will not be known for some days, it is expected that the present position—Coalition 75 seats, Labor 44, two doubtful—will be little changed.

Reports from Melbourne say that the Communist candidates had found it difficult to secure a hearing during the election campaign. Some of their meetings had been forcibly broken up.

The Liberal leader, Mr. Robert Menzies, who is Prime Minister designate, issued a statement on December 11 that the Liberal-Country Party coalition would repeal the Bank Nationalization Act, introduced by the Labor Government and outlaw the Australian Communist Party.

He said that it would also purge Government departments, Government undertakings and registered trade unions of Communist office holders. The coalition policy also provides for the introduction of a restricted form of compulsory military training.

The President of the Australian Communist Party, Mr. R. Dixon, said in Sydney that the party would continue to work underground if it were outlawed by the Government. "We will carry on our work whether in the

conditions of legality or illegality," Mr. Dixon added.

Mr. Menzies must know, he said, that the banning of the Communist Party would not be acceptable to the trade union movement, and that unions would resist such an action.

Commenting on aspects of the policy of the new coalition Government, Mr. Menzies said: "As is well known, we are constant advocates of closer and closer association between British Empire countries. We want to see closer consultation on financial, economic and population problems.

"Cooperation with the United States is the second aim of our foreign policy, ranking after the objective of the closest collaboration among British Empire countries."

Most Australian newspapers are reported as being enthusiastic about the results of the election. The *Melbourne Sun* predicted that a greater volume of overseas capital would seek investment in Australia—including capital from the United States—as a result of the Labor Government's defeat.

New York comment: American political writers believed the swing away from Labor indicated that a similar trend was likely in the British election next year.

Paris comment: Delegates at the Congress of European Socialists (Comisco) generally felt Labor's fall was "caused by local reasons which have nothing to do with the problems of socialism in Europe."

Brussels comment: A Belgian Socialist leader said: "These election results prove that both New Zealand and Australia are increasingly influenced by the policy of the United States."

* * *

On British Food

HERR Adolf Ludwig, described as a "leading West German trade unionist," said in Mainz, in the French Zone of Germany, that he was deeply impressed with the complete equal rights given to the West German delegation at the Free World Trade Union conference in London last week.

He said he was highly satisfied with the reception of the West German delegation at the conference, when he arrived from London on December 10.

Comparing the British and West German living standards, Herr Ludwig said that he was astonished that London restaurants did not offer such a variety of food as West German hotels.

He also claimed to have seen many consumer goods in London still rationed which could be freely purchased in West Germany.

The economic rebirth of West Germany becomes even more striking when comparing the British and West German living standards, he added.

* * *

On British Bombs

REPORTS from Washington on December 9 said that Britain now has the technical and scientific knowledge to produce atomic bombs in Britain, according to participants in the American-Canadian-British atomic talks.

They added, however, that American representatives to these talks had suggested that Britain should not in-

Chinese Magazines Say:

The problem of Japan should be studied under the leadership of the People's Government and measures taken for the formulation of a new Japan policy.

WRITING in the *Shih Chieh Chih Shih* (World Culture), November issue, on "the need . . . to seek an early and thorough solution of the Japan problem," Meng Chien-chang makes the following recommendations "for purposes of reference by our people and the relevant authorities." These are quoted in full:

1) Pending the establishment of relations between the People's Government and the US-British bloc of nations, parties in this country interested in the Japan problem may, under the leadership of the Government, organize a public body for the study of Japan, and the continuance of the movement against the American imperialist foster-Japan policy. All the statements and acts of the representatives of the reactionary regime in Tokyo and on the Far Eastern Commission shall be repudiated.

2) China and the Soviet Union may jointly issue a statement castigating American imperialism's unilateral measures in Japan which run contrary to the provisions of the Potsdam Declaration, are opposed to the policy adopted by the Far Eastern Commission, and generally present a serious threat to peace in the Far East.

3) A request may be presented to the Soviet Union to continue its advocacy of the early convocation of a preliminary conference on the peace treaty with Japan, with the participation of representatives of the People's Government of China.

4) Though all the countries represented on the Far Eastern Commission, apart from China and the Soviet Union, belong to the US-British bloc or are American imperialists' diplomatic stooges, there are nevertheless many contradictions within themselves. These contradictions should be exploited, so that American imperialism may be isolated in the matter of the peace conference with Japan.

5) Assistance should be given to the development of the Japanese Communist Party, which has already made rapid strides in its heroic leadership of the Japanese broad masses in the struggle against American imperialism and the reactionary Yoshida Government.

6) American imperialism, following its forced withdrawal from continental Asia, is adopting the so-called "island defense line," with Taiwan as the pivotal center in the line of defense. In addition to military efforts for the early restoration of Taiwan, diplomatic efforts may also be exerted towards the peaceful taking over of the island.

7) While it is obviously imperative for a strong stand to be taken by China at the peace conference with Japan when it is convened, it is necessary for the fullest preparations to be made in time for the event. Some of the matters which need our preparation and study are as follows:—

a) In accordance with the Potsdam Conference, the drafting of the Peace Treaty should be undertaken by China, the Soviet Union, the United States and Britain, which made the greatest contributions in the war against Japan.

b) In accordance with the precedent established after the first world war, when the peace conference was held in Paris, the capital of the largest suffering country, the peace conference with Japan should take place in Peking.

c) Only the 11 nations represented on the Far Eastern Commission should participate in the actual conference.

d) 50 percent of all reparations should go to China, as the country who put up the longest fight and suffered the greatest sacrifices.

e) The International Military Tribunal should be reorganized and all Japanese war criminals should be retried.

f) The Tenno system should be abrogated, the zaibatsu dissolved, land reform introduced, the people re-educated, and all war industries and military bases broken up.

g) In accordance with the Potsdam Declaration, Japan's territorial possessions should be restricted to the four main islands and the immediately adjacent small ones.

h) To ensure the faithful discharge of obligations under the Peace Treaty, a supervisory organ should be established over Japan, with the joint participation of China, the Soviet Union, the United States and Britain, to replace the current monopolized occupation by American imperialism.

Meng Chien-chang concludes: "And to coordinate with our plans for dealing with the Japan issue, it may be feasible to organize in Peking a permanent machinery to effect liaison among the various people's democracies in the East, to promote the early completion of the liberation movements among all the oppressed peoples in the East, and the complete expulsion of imperialist influence out of Asia.

"It is to be hoped, therefore, that all those interested in and connected with the Japan issue will be speedily mobilized and organized, so that under the correct leadership of the People's Government, an historic movement may be launched to deal with an issue of vital importance."

volve herself in the great capital investment and expense of building the plant and machinery to produce bombs, but should instead rely on being able to use United States atomic bomb facilities.

These officials emphasized that no agreement had been sought on this subject during the talks.

* * *

Italian Peasant Movement

ON December 8, the Italian "peasants' revolt" jumped across 200 miles of sea to the barren and backward island of Sardinia.

In dawn marches from mountaintop villages, Sardinians raised the twin flags that have become the symbol of the uprising—the Italian tricolor and a red flag—over about 1,000 acres of uncultivated ground near Cagliari.

By the time police arrived, they had started ploughing.

On the mainland, there were fresh cases of land occupation on the same day, but these were mainly symbolic, the peasants planting stakes to "affirm our claims."

About 250 peasant "rebels" have been arrested in Rome province during the recent week. About 50 of these are members of the Confederatta, the agricultural trade union leading the movement.

In the Puglia Province, 500 landless and unemployed staged a symbolic march on a thousand acres of hunting preserve.

In Sicily, 12 peasants were arrested for defying orders to leave the land they had occupied on December 7.

"Anti-Communist China" Committee Formed In US

A SISTER committee to the pro-Kuomintang "American China Policy Association" has been formed in New York City, according to a recent report in the New York *World-Telegram* received here.

The new committee is called "The Committee to Defend America by Aiding Anti-Communist China" and, according to the New York newspaper, it is asking the State Department "to back a three-point immediate program on China. The program calls for nonrecognition of the Chinese Communist regime, moral support to anti-Communist resistance in China, significant economic aid, military counsel and supplies to anti-Red forces."

The committee is quoted as declaring delay in putting forth such a program would be "an abandonment of the Chinese people and a vast territory to the Soviet-supported Communist armies, an invitation to Communist engulfment of all Southeast Asia and the East Indies, and an acquiescence in further sabotage of the United Nations."

The committee is headed by Frederick C. McKee of Pittsburgh, who is listed as an industrialist and treasurer of the American Association for the United Nations. Its board of directors includes several persons who have been active in the past in the American China Policy Association, one of the main protagonists for aid to the Kuomintang. Board members were listed as follows:

Mrs. Robert Low Bacon—	Washington civic leader
Robert Bishop—	Orlando, Florida, executive director of the Atlantic Union Committee
Arthur H. Burling—	New York, American consul in China for 20 years
James W. Clise—	Seattle, president, Clise Asbestos Company
Charles B. Coates—	New York, vice chairman of the Hoover Commission
Bishop Fred P. Corson—	Methodist Bishop of the Philadelphia district.
Gen. Wm. J. Donovan—	New York, former head of the Office of Strategic Services
David Dubinsky—	president of the International Ladies Garment Workers Union
Jo Duvall—	New York, an executive of United Service to China
Charles Edison—	former governor of New Jersey and former secretary of the US Navy Department
Dr. George A. Fitch—	former director of the YMCA in Korea and onetime missionary in China
Geraldine Fitch—	author of "Blunder Out of China," a pamphlet written in answer to Theodore White's and Annalee Jacoby's best-seller "Thunder Out of China"; member of American China Policy Association
B. A. Garside—	executive vice president of United Service to China
Arthur J. Goldsmith—	New York investment banker
Dr. Phillips Greene—	Long Island College of Physicians and Surgeons, former medical missionary in China.
Peter Grimm—	former president of New York State Chamber of Commerce
Rev. Wm. R. Johnston—	Chicago, former Methodist missionary in China, member of American China Policy Association
John M. King—	Wheaton, Illinois, president of the United Fertilizer Company
Mary Knight—	Los Angeles, writer on China
Dr. Henry S. Leiper—	secretary of the Federal Council of Churches of Christ in America, former missionary
Jay Lovestone—	executive secretary of the International Labor Department of the American Federation of Labor
Clare Booth Luce—	wife of *Time* and *Life* publisher, Henry Luce, former Congresswoman, former chairman of board of directors of American China Policy Association
Wm. Montgomery McGovern—	professor of political science at Northwestern University
Emma de Long Mills—	executive secretary of the American Bureau for Medical Aid to China, member of American China Policy Association
Mrs. Maurice T. Moore—	a national leader of the YWCA
Harold Riegelman—	New York attorney
Dr. Frederick J. Tooker—	Summit, New Jersey, former medical missionary in China
Bishop Herbert Welch—	secretary of the Board of Foreign Missions of the Methodist Church, formerly bishop for Japan and China.
Dr. W. Reginald Wheeler—	secretary of Yale-in-China, secretary of the China Institute in America, former English professor at University of Nanking and Hangchow Christian College
Dr. Maurice William—	New York, author of "The Social Interpretation of History," a book read by Sun Yat-sen; member of American China Policy Association
Westmore Willcox—	investment banker and former head of the special ECA Mission to Austria
Mrs. Wendell Willkie—	widow of the late Republican candidate for president
Matthew Woll—	vice president of the American Federation of Labor.

LETTERS

(Continued from page 33)

and the remnants of the KMT navy and air force are a hindrance. In addition, Chen Cheng, Governor of Taiwan, is the most faithful subordinate of Chiang Kai-shek. Therefore, some people feel it will be impossible to liberate Taiwan in two years.

But the spearhead of the PLA overcomes many difficulties; the miracle of the crossing of the Yangtze River showed us what they are. Though they lack transports and are poorer in arms and ammunition than the KMT, their enthusiasm and fighting spirit are second to none in the world for they know their duty is to rescue those who are oppressed.

Moreover, people under the reactionary regime are already awakened. They know what the future holds for them and they can never again be cheated. The guerillas are spreading everywhere in those areas waiting for liberation—even in Taiwan under the cruel pressure. The morale of the KMT army has been dampened by the thunder-like attacks of the PLA.

So it is just like a pear having the worms devouring it inside. It will be no longer than one year when we may see the new Flag flying over Taiwan.

C. S. YING

Nanking
November 26, 1949

A FRIEND'S APPEAL

To The Editor:

I have read your statement on how the Review requires many new readers. We can't help but believe that a foreigner who has truly struggled for the interests of the Chinese people since the year 1917 is doing a grand job. We can remember that in the KMT days, the Review exposed the US imperialist aim to support the reactionary regime, and brought on itself the displeasure of the KMT government. Now in the present days, the Review sincerely serves the interest of the Chinese people in helping to bring new democracy.

There is no doubt that we Chinese people must sincerely thank our friend. But now that you face difficult days, we know that if you haven't the support of the Chinese people, it will be impossible for you to continue your publication. Absolutely we cannot let this friend leave us. We must ask you to continue your struggle for the new China's reconstruction. Thus, on your behalf, I appeal to all the Chinese people for their support of your magazine.

PAN HUNG

Yunghang, Chekiang
December 7, 1949

FAITHFUL READER

To The Editor:

Before Shanghai's liberation, I was a faithful reader of your esteemed magazine. I gained much knowledge and learned many things from reading it. After Shanghai was liberated I entered the East China Military Policy University. I made up my mind to rid myself of my old bad habits and become a creator of new society. I learned to re-educate myself through Marx-Lenin's teachings and now I want to dedicate my life to new democracy and helping others. My first ideal has been carried out. I have become a member of the People's Liberation Army.

SUN CHIE GANG

Nanking
December 12, 1949

The Week's Business

Foreign exchange rates go up; banks and industry show marked improvement; supply of raw materials easing.

THE steady market trend since the end of November continued throughout last week, with commodity prices in local markets registering only fractional changes. Supply and demand was well balanced through the heavy sales of commodities by local state trading corporations. With the disappearance of speculative activities and elimination of underground banks, the financial market was quiet.

Initial success has already been achieved in the resumption of trade between Chungking and Shanghai. According to latest reports, the Chungking Military Control Commission has ordered large quantities of cotton yarn and cloth from the Shanghai Cotton, Cotton Yarn and Cotton Cloth Corporation. On November 26 and 30, some 60,000 bolts of printed cloth left Shanghai for Chungking, and 100,000 additional bolts are en route. It has also been reported that the first batch of export goods, consisting of 360,000 catties (180 tons) of tung oil and 120,000 catties of rapeseed oil, are being loaded on ships in Chungking for shipment to Shanghai.

While commodity prices ruled steady, foreign exchange rates underwent several revisions. On December 13, the TT rate for US dollars was revised to JMP18,000, an increase of 20 percent over the rate on December 7. The rates for other foreign currencies were correspondingly raised.

Because of these adjustments, increasing sums of foreign currencies are being turned in to the Bank of China by the public for conversion and deposit. On December 6, as many as 270 lots of exchange were turned in. The bulk of the foreign currencies converted and deposited consisted of US dollars, Hongkong dollars, pound sterling and Australian pounds.

These rational revisions have also benefited foreign trade and the inflow of overseas remittances. They have made the export of many items lucrative, and considerable quantities of tea, bristles and tung oil are reported held ready for export from this port.

Another recent encouraging development is the increased business reported by local financial establishments. The stabilized local market in recent weeks brought about by the curbing of speculative activities and underground banks has enhanced the development of local industries and trade as well as finance.

Deposits at local banks during the past half month showed widespread increases, ranging from 150 to 300 percent. At the Shanghai Commercial & Savings Bank, for instance, recent deposits showed an increase of 1.5 times when compared with the end of November. Of the loans the bank has issued, 60 percent went to local factories.

Deposits at the Sin Hua Trust, Savings and Commercial Bank were also reported to have increased by about 50 percent in the past fortnight, those at the Kincheng Banking Corporation by 88 percent, and at the Chekiang First Bank of Commerce by more than 40 percent. At the Pao Feng and Chen Cheng native banks the deposits increased by twofold during the same period. Between 40 and 70 percent of the loans extended by these banks were for local industrial establishments.

In the past three months, from the time when local banks were ordered to increase their capital until the end of November, 90 percent of the banks have netted handsome profits, which in some cases were as high as three times the increased amount of capital. It is even reported that a number of local banks have started to give their employees the year end bonus.

Improvement in the local industrial situation has also been noted of late. At least six industries are said to have succeeded in procuring enough raw materials domestically. These include local pencil factories, silk weaving mills, pharmaceutical works, worsted mills, electric equipment factories, and other chemical plants.

Local pencil factories recently signed a contract with the Northeast Lumber Company for the supply of 600 meters of Tuan wood, which will be sufficient to produce 50,000 gross of pencils. The silk weaving mills are said to be acquiring their silk supply from the Northeast, while worsted mills are getting their wool from the Northwest. Around 10,000 piculs of wool have been collected in Lanchow and Sining, and are being transported to Shanghai. Considerable chemical raw materials, including soda ash, coke and other items are being supplied by the Yungli Chemical Industries of North China.

Quotations

Following is a listing of representative commodity prices for the past week:

	Dec. 7 JMP	Dec. 14 JMP
Parity Unit	2,762	2,883
US dollar (note)	13,500	16,200
20's yarn	2,900,000	3,010,000
12-lb. cloth	129,000	129,000
Rice, 1st grade	125,000	130,000
Peanut oil	272,000	280,000
Coal briquette	19,300	21,500

The Review's English Lesson CX

Mr. Yang's Questions

THIS week, we have some questions sent us by Mr. S. S. Yang, of Nanchang. Mr. Yang's questions concern various phrases that have appeared in the *Review* during the past two months.

Round-up story: The whole sentence was, "The second item appeared in a round-up story on the celebrating of the Festival in Shanghai." A story in journalism is a report, or any news article. "Round-up" as used here means a report covering the event—the Moon Festival—as widely and completely as possible. A round-up in western America is a herding together of cattle; by analogy, then, a round-up story contains items, quotations from individuals, etc., to include as much area and as many points of view as possible.

At full-flow: A discussion of post-liberation difficulties in Shanghai contained the following sentence: "On top of it all, we have had the worst flood in 30 years, the damage from which was compounded by a record typhoon tide which came while the flood was still at full flow." Here, the phrase means "at its height."

Small potatoes: Anything, or anyone, that is unimportant, trivial. Thus, of a company or other organization, Mr. X might be the managing director, or he might be small potatoes—in an unimportant position. Or, a business man might speak of his profit on a certain transaction as small potatoes compared with the profit he made on another.

To dig down: Speaking of the unreasonableness of demanding that the People's Government assume the KMT's debts, the editor concluded a paragraph with the following sentence: "That would mean that the people in Shanghai, for example, would have to dig down and pay Uncle Sam for each bomb which the KMT has dropped on them in recent weeks." Used in connection with paying for something, the verb suggests difficulty or compulsion; the money is not easy to come by, and the debtor is forced to dig down (in his pocket, for example), to expend effort, to pay.

Raggle-taggle: The rabble; untidy, unorganized remnants. From the nouns "rag" and "tag," a rag being a torn remnant of cloth, a tag any loose end, rag or tatter. From these two words comes the phrase, "rag, tag and bobtail," usually denoting a loose, disorderly, disreputable collection of human beings. "Raggle-taggle" as an adjective can be applied to clothes, persons as a group, or, as in the original sentence, to KMT-commanded parades in Shanghai—"we know just how grim and raggle-taggle they were."

Carrying the torch for: The sentence ran, "After all, we are not interested in carrying the torch for this or that special interest which may have found it impossible to operate under the changed conditions." As used here, the phrase means propagandizing for, urging the cause of, promoting, supporting.

The run-around: To give someone the run-around is to deceive him, to make pleasant promises but act contrarily, against his interests; to mislead. The original paragraph discussed post-liberation labor in Shanghai, and concluded with the sentence, "In some such instances, (labor disputes where the workers' demands were too high) this was labor's only method of getting back at employers who were trying to give their workers the run-around."

To get back at: (See above sentence.) This verb phrase means to take action against someone in reprisal for a wrong or injury; to take revenge. The verb "to get" has literally dozens of uses and is used in numbers of everyday idioms. A good dictionary lists many of these, and an acquaintance with them is very helpful to the student of English.

To come crack: The sentence ran, "For the first time, management was no longer in a position to call the cops to come crack the skulls of the workers." Strictly, the phrase should be "to come to crack," but as the sentence stands, this would make too many "to's" and would sound like a jingle: "to call the cops to come to crack." A way out of the difficulty is to insert an "and:" to call the cops to come and crack, or simply to omit both "and" and "to," as the sentence was written.

To whip up: The clause read, "the red hysteria which has been whipped up in the West." To whip up enthusiasm, hysteria, etc., suggests that groups and parties use all possible means —the press, radio, lectures, provocative books—to bombard the public, to produce a mass feeling for or against things or ideas. To whip up suggests frenzied excitement and energy, by analogy with whipping up a horse into a mad gallop. The rider wants to get there, and get there fast; similarly, in the West, the groups representing special interests "ride" the public and attempt to lash it into a frenzy with the whips of propaganda.

To dress up: Ordinarily, "to dress up" is a colloquialism for putting on one's best clothes, as for a party. By extension, the meaning is to make anything look well so that it will be acceptable. In the original editorial, it was held that many interests have attempted to make Franco's regime in Spain appear better than it is, so that the public would accept closer official relationships with it. The idea that Franco's regime, while it has its faults, is at least better than Communism, "is dressed up for public consumption." The phrase also of course suggests a disguise, a misrepresentation of the truth.

Goes back to the days: The sentence was, "The campaign to 'sell' the Franco regime to the public in Britain, and especially in America, goes clear back to the days of the Spanish civil war." That is, the campaign was begun during the civil war: goes (clear: all the way) back to: dates from.

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